- $1.6 M for renovations and expansion to Whitehorse Airport.
- $1.2 M for Whitehorse Airport parking lot improvements.

JUSTICE

- $1 M for development of new correctional infrastructure as per Consultation on Corrections Final Report.
- $130 K for Northern Institute of Justice feasibility study.
- Implementation of Safer Communities and Neighbourhoods legislation.
- Crystal Meth education series.

PUBLIC SERVICE COMMISSION

- $1.382 M for Investing in Public Service initiative.
- Grad Corps to facilitate the hiring of Yukon post-secondary students.
- Recognizing Public Service excellence.
- Healthy Employees and Workplaces Unit.
- Support for Professional Development and Technical Training for employees.
- Workplace Diversity Employment Office.

TOURISM AND CULTURE

- $1 M for Canada Winter Games national marketing campaign.
- $500 K for Tourism Co-operative Marketing Fund.
- $260 K for joint Yukon / Alaska marketing program with ATIA.
- $264 K for adventure marketing program with WTAY.
- $200 K for Yukon Convention Bureau tourism marketing program.
- $118 K for Tourism North Marketing Consortium program.
- $150 K for Yukon Quest media coverage and winter tourism marketing.
- $200 K for implementing the Yukon Brand Strategy.
- $250 K for website development and E-marketing.
- $50 K for Yukon Sourdough Rendezvous.
- $400 K for MacBride Museum expansion.
- $71 K for Rampart House Historic Site development.
- $70 K for Forty Mile Historic Site development.
- $200 K to assist Yukon museums to meet special project needs.
- $200 K to enhance cultural opportunities for CWG and Sport Fund.

WOMEN'S DIRECTORATE

- $100 K for Aboriginal women's groups to support Aboriginal Women and Violence Initiative.
- $140 K for increased commitment to seven grassroots women's organizations.
- $25 K for Women's Health Forum.
- $19 K for public education about violence prevention and women's equality issues.
- Establish First Nations Liaison Coordinator position.
- Leadership training and skills development for women.
- Public education campaign on violence against women and children.

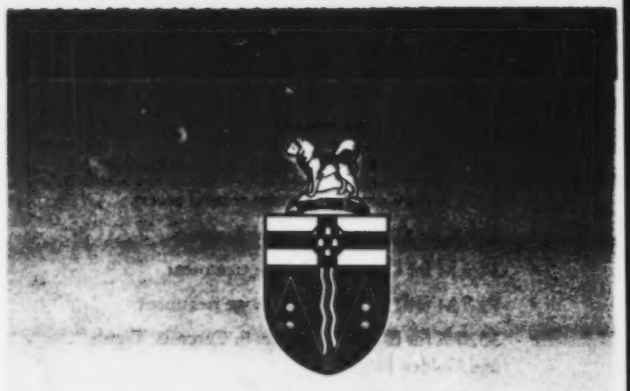
YOUTH DIRECTORATE

- $200 K for youth programs in communities funded through a contribution to Crime Prevention Yukon.
- $355 K to fund 4 Whitehorse youth groups, including the Francophone youth group "Comité Espoir Jeunesse".

YUKON HOUSING CORPORATION

- $7.35 M for Home Ownership Program.
- $2 M for Canada-Yukon Affordable Housing Agreement.
- $1.7 M to stimulate private sector housing development.
- $2.5 M for energy efficiency through the Home Repair Program.
- $100 K for Seniors Housing Management Fund.

For further information about the 2006-2007 Budget, please contact the Department of Finance,
Box 2703, Whitehorse, YT Y1A 2C6
Phone (867) 667-5811, Toll free 1-800-661-0408
http://www.gov.yk.ca



Budget Highlights

2006 – 2007

COMMUNITY SERVICES

- $8.7 M to complete the $31M Athletes Village.
- $200 K for Taku subdivision, Tagish, second access.
- $100 K for Carcross townsite second access.
- $50 K for Old Crow water well repairs.
- $4.4 M for Carmacks sewage treatment.
- $2.5 M for Dawson City sewage treatment.
- $320 K for fire hall upgrades in Carcross, Tagish and Golden Horn.
- $200 K for territory wide water and sewer improvements.
- $700 K for continuation of the Domestic Water Well Program.
- $250 K for Hamilton Boulevard extension planning, centre line, brushing work.
- $3.15 M for Mayo community centre.
- $1.2 M for Marsh Lake community centre.
- $700 K for Mount Sima Chalet project.
- $1 M for Firesmart fuel reduction safety projects.
- $100 K for EMO Rescue Boat Safety Program for Southern Lakes.
- $955 K for Motor Vehicles Branch computer system upgrade.
- $232 K to investigate options for Army Beach area potable water supply.
- $300 K to upgrade volunteer fire department fire tanker fleet.
- $2.25 M to complete Copper Ridge subdivision development.
- $7.97 M for Whitehorse / Mount Sima Road area subdivision development.

ECONOMIC DEVELOPMENT

- $6.6 M for five funding programs, including $3.3M for Community Development Fund projects.
- "Pathways to Prosperity" strategic planning exercise.
- $70 K to host F/P/T Northern Development Ministers Forum.
- $150 K to host International Film Festival.
- Dempster Corridor strategy economic development plan.
- $1.7M for completion of the Rail Feasibility Study.
- $77.5 K for Economic Forestry Assessment.
- $550 K for Northern Town filming.
- $61 K for Destination Carcross.
- $60 K for Small Business Opportunity Development Program, Raising Our Game.

EDUCATION

- $300 K for F.H. Collins industrial arts wing ventilation.
- $360 K for speed skating oval at F.H. Collins.
- $300 K for Vanier Catholic Secondary School roof repair.
- $6.775 M for Tantalus School in Carmacks.
- $305 K for school cultural program activities.
- $674 K for Education Reform.
- $200 K for Student Financial Grant indexing.
- $1.4M for Porter Creek Secondary School cafeteria expansion and renovations.
- $1.5 M for Community Training Funds.

ENERGY, MINES & RESOURCES

- Continuation of the Mineral Exploration Tax Credit.
- $708 K to establish Secretariat to manage new placer regulatory regime.
- $1.2 M to establish the Energy Solutions Centre as unit of EMR.
- Facilitating major mine permitting processes.
- Strategic action planning for Alaska Highway Pipeline.
- $100K to host the National Energy & Mines Ministers conference.

ENVIRONMENT

- $180 K for the Biophysical Land Classification and Mapping Project.
- $20 K for campground well water monitoring and testing.
- Species at Risk management plans.
- Chisana Caribou Recovery Project.
- Special Management Areas, parks and Habitat Protection Area planning.

EXECUTIVE COUNCIL OFFICE

- $100 K for the Yukon Forum.
- $910 K for community-based language initiatives.
- $50 K for VGFN for protection of the habitat of Porcupine Caribou Herd.
- $7.311M for land claims funding.
- $2 M for Substance Abuse Action Plan initiatives.

FINANCE

- Submissions to the Federal Expert Panel on Equalization and Territorial Funding Formula and Provincial panels on Fiscal Imbalance.
- Auditor General's compliments on Government of Yukon accounting practices.
- Four year financial projection for balanced budgets.
- Administration of $1 M Energy Rebate Program.

HEALTH AND SOCIAL SERVICES

- $29 M for Health Care Agreement: Territorial Health Access Fund and Territorial Medical Travel Fund.
- $750 K for community nursing station upgrades.
- $345 K for purchase of three ambulances.
- $100 K for Continuing Care Needs Assessment.
- Agreement with Canada Health Infoway.
- Additional physicians: 1 surgeon and 2 general practitioners.
- Increase to Pioneer Utility Grant.

HIGHWAYS AND PUBLIC WORKS

- $34.75 M for Shakwak - Alaska Highway & Haines Road reconstruction projects.
- $5.3 M primarily for Alaska Highway Bridge rehabilitation projects.
- $2.1 M for Dempster Highway improvements.
- $1.65 M for South Campbell Highway improvements.
- $2.3 M for Atlin Road improvements.
- $5.28 M for Mobile Communications Solution (MOCs) including cell phone service.
- $290 K for implementation of Road/Weather Information System projects.
- $2.05 M for Whitehorse area Alaska Highway pavement rehabilitation.

Budget Address

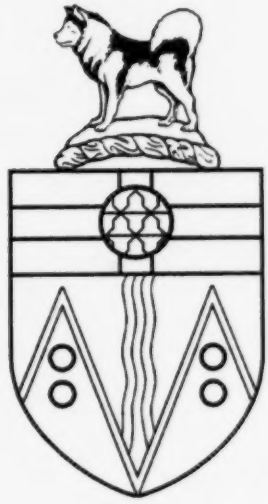
2006 – 2007

Operation & Maintenance and Capital

Budget Speech
Budget Highlights
Long Term Plans
Financial Information

Yukon
Finance

106-03796/



Budget Address
2006 - 2007

presented by

Premier
Dennis Fentie

First session of the Thirty-First
Yukon Legislative Assembly

Whitehorse, Yukon
March 30, 2006

CONTENTS

I. **Building Balanced Budgets — The Way of the Future** 1

II. **Building Partnerships and Government to Government Relations with First Nations** 3

III. **Building a Sustainable, Competitive Economy** 5

Economic Development 5

Energy, Mines & Resources 10

Tourism & Culture 14

Highways & Public Works 20

IV. **Building Healthy Communities, Environment and Better Quality of Life** 24

Community Services 24

Yukon Housing Corporation 28

Environment 29

Youth Directorate 32

Education 33

Justice 35

Health and Social Services 37

Women's Directorate 40

Bureau of French Language Services 41

Public Service Commission 41

Conclusion 42

I. BUILDING BALANCED BUDGETS – THE WAY OF THE FUTURE

Mr. Speaker, Honourable Members, today it is my honour and privilege to table our fourth budget in this House, a surplus budget that lays the foundation for forecasting balanced budgets into the foreseeable future beyond our current mandate.

The Government of Yukon's Capital and Operation and Maintenance Budget for 2006-2007 is $793 million, the largest budget to date in Yukon's history, comparing main estimates to main estimates.

The Operation and Maintenance Budget totals $601.3 million of which $59.8 million is recoverable.

The Capital Budget totals $191.7 million of which $81.2 million is recoverable.

Mr. Speaker, in 2002, our commitment to Yukoners was to provide the territory with sound fiscal management and to utilize government budgets to create a sustainable, competitive private sector economy.

We have met that commitment.

Our first budget in 2003-2004 was a restraint budget designed to put the Yukon government's fiscal house in order.

At the time our government took office, the Yukon government was paying overdraft payments to meet its payroll.

The territory has come a long way financially since that time.

We have utilized our successive budgets starting with our 2004-2005 Budget to inject a further $200 to $300 million in increased funding annually into the economy as an added stimulus.

We have utilized our budgets to create more stimulus, more investment in capital and more investment in program and service delivery for Yukoners.

The 2006-2007 Budget will allow us to continue to invest in capital projects across the territory and to promote the development of the private sector economy.

The 2006-2007 Budget is our second surplus budget and once again raises the bar comparing Mains to Mains. We are also forecasting balanced budgets for the next four years.

These are realistic forecasts.

Our government has reached a financial threshold of balanced budgets to which previous Yukon governments could only aspire.

Further, the Auditor General of Canada was recently in Whitehorse and gave the Yukon government one of the best financial report cards on accountability of any jurisdiction in Canada.

The Auditor General has applauded the accounting practices of the Government of Yukon as being fully transparent and reflective of current public sector accounting board standards.

For the third year in a row our government has received an unqualified financial "Bill of Health."

This means the Auditor General's office believes that our financial statements, as presented, fairly represent the government's financial position on a full accrual basis and that appropriate financial controls are in place.

We give full credit for this success to our professional accounting and budget staff in the Department of Finance for the exemplary job in preparing the report and ensuring that the budgetary controls are in place and are being followed.

The previous Liberal federal government made significant changes to the design of Territorial Formula Financing.

In 2004-2005, the total Territorial Formula Financing Grant for the three territories was set at a floor of $1.9 billion.

In 2005-2006, the Territorial Formula Financing Grant was fixed at $2 billion, an increase of 5.3% over the 2004-2005 amount.

After 2005-2006, the total Territorial Formula Financing is to be escalated at a rate of 3.5% per year with a review of the adequacy escalator after five years.

A federal Expert Panel on Equalization and Territorial Formula Financing has been established to provide recommendations on the allocation of the fixed amounts.

Our Department of Finance prepared a submission to this Expert Panel, as well as to the Provincial Panels on Fiscal Imbalance.

Our officials pointed out that the federal government's response to these panels needs to reflect the distinct fiscal needs of the three territories.

The needs of each territory were clearly articulated in the joint submissions.

I have personally asked Prime Minister Harper to consider these recommendations very early in their mandate so that we can prudently plan the Government of Yukon's long term fiscal future.

The current "new TFF Framework" as established by the previous federal government does not adequately address our long term fiscal needs.

We believe that the federal Expert Panel on Equalization and Territorial Formula Financing fully understands the major shortcomings of the "new TFF Framework" and will be making recommendations to address these deficiencies.

II. BUILDING PARTNERSHIPS AND GOVERNMENT TO GOVERNMENT RELATIONS WITH FIRST NATIONS

Mr. Speaker, our 2002 election platform committed our government to: "formalizing government to government relationships with Yukon First Nations based on mutual respect, consultation, cooperation, and benefit for the better operation of all governments in the territory with the objective of reducing barriers and providing more cost-effective services to all Yukon citizens."

That is what we said we would do and we have done it.

On January 21, 2005, our government and the Council of Yukon First Nations signed the Memorandum of Understanding on Cooperation in Governance in the Yukon and created the Yukon Forum.

On October 27, 2005, the Cooperation in Governance Act establishing the Yukon Forum in law was tabled in the Yukon Legislative Assembly and was ultimately passed. The Yukon Forum provides a mechanism to establish cooperation in governance that has helped achieve more effective services and program delivery by both orders of government to the benefit of all Yukoners.

On April 28, 2005 agreement was reached with First Nations on the Yukon Chapter of the $40 Million Northern Strategy through the Yukon Forum.

On October 21, 2005, agreement was reached on the $27 Million Northern Economic Development Fund.

The Yukon Forum has already more than proved its utility and can be utilized in the future to address such major joint initiatives as the Children's Act Review, the Corrections Consultation, and Education Reform.

Another Yukon Forum is scheduled for April 3, 2006 to discuss the Northern Strategy, the Northern Economic Development Fund and the Corrections Consultation.

Another 2002 election commitment to First Nations was to make them full partners in the economic development of the territory.

Our Government has delivered on that commitment as well.

Some examples of these economic partnerships include:

- The North Yukon Economic Partnership Agreement with the Vuntut Gwitchin, Tr'ondek Hwech'in and Nacho Nyak Dun First Nations;
- Partnerships established with the Kaska and Selkirk First Nations on the Faro Mine Closure Planning; and

- The Agreement with the Champagne and Aishihik First Nations for a pilot project designed to recruit and place Yukon workers in the oil and gas industry.

The list of examples could go on and on.

Another 2002 election commitment was to complete land claims.

Since making that commitment, the Kluane First Nation, the Kwanlin Dun First Nation and the Carcross Tagish First Nation have all signed and ratified their land claims agreements.

Eleven of fourteen Yukon First Nations have now settled their land claims.

Our government will be lobbying the new Conservative government to re-establish the federal comprehensive land claims mandate that was cancelled by the previous federal Liberal government so that the White River First Nation, the Ross River Dena Council and the Liard First Nation can all conclude their settlements.

Our government is willing to act as the facilitator or mediator with the Government of Canada and these three Yukon First Nations in order to conclude the unsettled business of completing land claims in the Yukon.

Unlike the two previous Yukon governments, we have adopted a pan-Northern collaborative approach with our two sister territories in our dealings with Ottawa and that collaboration has resulted in millions of dollars flowing into the respective territorial treasuries.

We have also developed close relationships with the State of Alaska, Alberta and British Columbia.

Projects such as the Alaska Highway Natural Gas Pipeline, the Alaska-Canada Rail Link Project and the Port Access Study can only serve to benefit from this close collaboration.

Perhaps our greatest collaborative challenge will be making the 2007 Canada Winter Games a resounding success.

We are confident, however, that together with our other two partners in this major undertaking, the City of Whitehorse and the Host Society, Yukon will be up to the task.

The multiplex is in place and is receiving rave reviews and the residences at Yukon College for the Athletes Village are being constructed on time and on budget.

The Northwest Territories and Nunavut have joined Yukon in making the 2007 Canada Winter Games a pan-Northern cultural event that will showcase the entire North to our fellow Canadians.

The Yukon and the entire North are coming of age largely because we are speaking with one voice to our fellow Canadians in the south.

Because of this, more and more Canadians are looking North and envisioning a Canada that extends from sea to sea to sea.

III. BUILDING A SUSTAINABLE, COMPETITIVE ECONOMY

Mr. Speaker, our government has been working hard to revitalize, diversify and expand Yukon's economy.

That hard work is paying off.

Hundreds more Yukoners are working now than there were in 2002 when our government first took office.

The Yukon has consistently achieved historic low unemployment rates, as low as 4.3%, well below the national average.

These historic low rates have been achieved with an increasing population as more people move to the territory.

More tourists are visiting the Yukon.

Mining exploration has increased to $50 million for 2005 and projections for 2006 range as high as $100 million.

Average house prices have been consistently increasing.

These are all signs of an economic recovery and clearly show that the Yukon economy is now headed in the right direction.

ECONOMIC DEVELOPMENT

The department's strategic focus is to promote and support businesses such as primary and value-added industries that capture external dollars, and to encourage the growth of secondary industries. In order to meet its objectives, the department currently administers five funding programs totaling $6.6 million. The two largest investments will be $3.3 million for the Community Development Fund and $1.45 million for Strategic Industries Development.

The Department of Economic Development has undertaken a series of strategic planning exercises that will help build a prosperous Yukon economy by creating and fostering development opportunities.

Economic Development has conducted a planning exercise entitled "Pathways to Prosperity" which is a strategic visioning document to be finalized and used by governments, businesses, and investors as a guiding and visioning tool.

The draft document points out that global forces are now shaping future opportunities for Yukon in the 21st century just as the world famous Klondike Gold Rush shaped the Yukon in the 19th century, and the construction of the Alaska Highway shaped the Yukon of the 20th century.

Global trends in population and economic growth, and an increase in purchasing power, are creating heightened demand for natural resources and interest in expanding tourism destinations.

As a consequence of these trends, the Yukon economy is anticipated to grow and prosper because of its abundance of natural resources, its scenic environment, its strategic location and its people.

Mining activity is projected to drive economic growth over the next ten years with a focus on gold, silver, zinc, lead, copper, molybdenum and tungsten.

Oil and gas exploration and development are anticipated in the medium term, with pipeline construction providing the catalyst for several projects.

The "Pathways to Prosperity" document notes that with additional funding and marketing efforts, tourism and the film industry present distinct growth opportunities.

Two other strategic studies are also underway, the Rail Feasibility Study and the Port Access Study.

The Rail Feasibility Study is examining the economic realities of a rail link connecting the Alaska railroad through the Yukon to northern British Columbia.

The study has two stages: a market and engineering feasibility assessment and a financial feasibility and public interest analysis with the full study to be completed by summer 2006.

The economic potential for the Yukon is enormous. A railway would benefit natural resource development, improve access to southern markets for Yukon products and ease congestion on the North American transportation network.

The State of Alaska has agreed to pay $1.15 million of the $1.7 million cost included in the 2006-2007 Budget for completion of the study.

We commend the State of Alaska for their generosity.

The $400,000 Port Access Study work is being done in close conjunction with the Rail Feasibility study.

The Department of Economic Development, like the Department of Tourism & Culture, has an important job to market the Yukon both nationally and internationally.

To this end, in July the Minister of Economic Development will take over as President of the Pacific Northwest Economic Region (PNWER) comprised of Yukon, British Columbia, Alberta, Alaska, Idaho, Montana, Oregon and Washington.

Having our Economic Development Minister head up PNWER will give Yukon issues an international audience, as well as provide profile and exposure for marketing the Yukon.

Yukon is also active on the national stage as we will be hosting the Northern Development Ministers Forum in September which promotes the diverse interests of northerners and the accomplishments, contributions and potential in Canada's north.

We have provided $70,000 to host this forum and plan to present a priority project called "Knowledge North", which will provide northerners and those looking for information about the North with a user-friendly, map-based Internet tool to access a wealth of data on social and economic information.

The minister and deputy minister earlier this month went on a promotional tour with Pacifica Resources Ltd. to Korea, Japan and China to talk to some key government personnel and corporate representatives about potential investment, the purchase of commodities and to raise Yukon's profile for investment and export.

Pacifica requested government support to organize the meetings and to accompany its officials on this trip.

It should be remembered that the Yukon's traditional market place for the Faro ore was Japan and Korea and today the world is undergoing a shift away from the established markets of Europe and the United States toward the emerging economies of China and other Asian countries.

Pacifica Resources Ltd. owns the giant Howard's Pass zinc-lead deposit and Yukon Zinc, an affiliated company, owns the high-grade Wolverine zinc-silver development project, as well as other Finlayson District properties.

Mining is destined to become Yukon's number one industry over the course of the next decade and Economic Development is working with the Department of Energy, Mines and Resources on the development of the Yukon Mine Training Strategy to provide opportunities for aboriginal and other Yukoners to acquire the necessary skills to access jobs in the mining industry.

Tourism is another strategic industry the department has been focusing on.

The Department of Economic Development has fulfilled its obligations under the "Destination Carcross" Memorandum of Understanding signed by the Carcross Tagish First Nation, White Pass & Yukon Route, and the Government of Yukon.

The MOU is designed to take advantage of the increase in volume of train passengers that will make Carcross an attractive tourism destination while contributing to business opportunities in this region.

Another region the department has been focusing on is northern Yukon through the North Yukon Economic Development Partnership Agreement.

This agreement is between the Government of Yukon, the Vuntut Gwitchin, Tr'ondek Hwech'in, and the Nacho Nyak Dun First Nations and is designed to identify economic opportunities within the Dempster corridor and to prepare an economic development plan in 2006-2007.

The department is also focused on southeast Yukon and has included in its budget $77,575 to complete an economic assessment of the forest industry in Watson Lake.

This assessment was conducted in conjunction with the Watson Lake Chamber of Commerce.

This is another example of the department working with rural Yukon communities to take advantage of their regional economic opportunities.

Economic diversification is also a mandate of the Department of Economic Development and once again the department is working to gain international and national exposure for another strategic industry.

As a consequence, our government is providing $150,000 to host the International Film Festival in Whitehorse in June.

The locally shot big screen film, "Big White", the comedy starring Robin Williams, Holly Hunter, Woody Harrelson and Whitehorse resident Eric Epstein will be featured for a special screening at the festival.

This event includes a partnership with Telefilm Canada and Trade Routes to develop an industry component to the festival with training specifically targeted at young Yukon film makers.

2005 was a banner year for Yukon film production generating $4.1 million compared with $2.5 million in 2004.

The Yukon was also successful in developing its first TV series, "Northern Town," that was written and produced by Yukoner Daniel Janke and 100% filmed on location in Yukon with a contribution of $550,000 from the film incentive funds.

Over 250 Yukoners worked on the production and the series has been given the green light to proceed with seven more episodes.

It is anticipated that the airing date on CBC may be scheduled to coincide with coverage of the 2007 Canada Winter Games, which will give the territory maximum exposure.

In addition to Northern Town, Quixote Film Inc. spent $262,000 while in Yukon and employed 21 Yukon residents while shooting a commercial for "Land Rover."

Whisper Productions Inc. spent a total of $265,000 while in Yukon, and employed 42 Yukon residents on a feature film production, now entitled "Hellion."

Mad Films shot an AIM Trimark tire commercial with projected total spending of $120,000 and employment of 21 Yukoners.

Yukon filmmaker Andrew Connors shot "Artifacts," hiring 15 Yukon residents on this production and Yukon filmmaker Carole Geddes is currently finalizing development of a six-part TV series "Anash and the Legacy of the Sun Rock."

A further ten Yukon filmmakers also received funding from the Yukon Filmmakers Fund for their projects.

The Yukon Film & Sound Commission is also pleased with the new Sound Recording Program that is designed to enhance the growth and development of the Yukon sound recording industry by developing domestic sound recording skills and experience.

There are two components to the program which include a demo recording fund and a sound recording fund.

In December of 2005, Professional Demo Recording funds were awarded to Danette Readman, Heather Loewen, Kate Weeks, and Michael Brooks in the first round of applications.

The two projects awarded Professional Sound Recording funds were Caribou Records for Valle Son, and Buckeroo Music for the Gordie Trentrees Band.

The second round intake deadline for sound recordings was February 15th of this year.

Economic Development has also included $60,000 in its budget to sponsor the Sport Business Opportunity Development Program/Raising Our Game with the Whitehorse Chamber of Commerce to raise awareness of sport-related business opportunities.

In keeping with its diversification mandate, Economic Development is working with the National Research Council and Yukon College to create a Cold Climate Innovation Centre.

In this regard, a $137,000 development plan has been completed. As part of an Innovation Cluster, the ultimate goal of the Centre would be to enhance the knowledge and innovation sector of the Yukon economy.

The Community Development Fund, reinstated by our government, continues to assist Yukon communities in realizing their potential.

During fiscal year 2005-2006 114 projects received a total of $3.5 million in funding creating 118,000 hours of employment.

CDF is a very popular program and has funded a wide variety of projects such as the recent Tier 1 approval for 21 community projects:

- $5,366 to the Dawson City Community Radio Society for a radio broadcast training workshop;
- $20,000 to the Great Northern Ski Society for a larger and more powerful snow groomer for Mt. Sima;
- $9,466 to the Selkirk Renewable Resource Council for its Wildlife Steward Project to hire a college student and two high school students as wildlife stewards; and
- $19,080 to the Yukon Council on Aging for a series of six workshops on issues affecting seniors.

These are just a few of the many projects funded by CDF.

Further, our government through its agent Dana Naye Ventures is continuing to pursue the collection of the decades-old delinquent loans with some success which will serve to augment the Loan Capital Fund for small business.

ENERGY, MINES & RESOURCES

Mining exploration in Yukon in 2005 was approximately $50 million, exceeding our expectations; and prospects for 2006 look even better.

As a result of this dramatic increase in exploration, the Yukon Mineral Exploration Tax Credit will be capped at $300,000 as the amount a company will be able to receive for work undertaken in the upcoming year and the program will be continued until March 31, 2007.

The Yukon Mineral Exploration Tax Credit is a refundable corporate and personal income tax credit of 25% of eligible exploration expenses for off-mine site exploration.

It was introduced in 1999 to stimulate exploration during the last mining downturn.

The Yukon government committed to examine the credit when exploration spending exceeded $30 million and now that limit has been exceeded by $20 million.

The government is committed to exploring options that would re-profile incentives toward development and production.

Our ongoing Yukon Mining Incentive Program funded 63 applications in the 2005-2006 fiscal year and it is anticipated that spending by the applicants will be in the $2.5 million range.

Another major reason for Yukon's success in attracting mining investment is due to the Yukon Geological Survey projects.

The Yukon Geological Survey has done a superb job in enhancing the Geoscience database through the completion of numerous geological, geochemical and mineral deposit assessments.

Our government has also developed and implemented a major mine permitting process.

A committee of deputy ministers, chaired by Energy, Mines & Resources, has been established to oversee the permitting of major mine projects.

Each project is assigned a coordinator whose primary role is to work closely with the companies to provide advice and help them through the regulatory process.

Our government has initiated this process for five projects: Western Silver's Carmacks Copper, Yukon Zinc's Wolverine, Sherwood Mining's Minto, Cash Resources' Division Mountain and Tintina Mine's Red Mountain.

On February 15th, 2006, the court approved Pricewaterhouse Coopers' application for the sale of the assets of UKHM to Alexco Resources Corporation and its wholly owned subsidiary Elsa Reclamation and Development Company.

This sale represents the positive culmination of two years of cooperative work between Yukon, Canada, the Interim Receiver and Alexco, to set the stage for Elsa to once again become an operating mine.

The Department of Energy, Mines & Resources secured $11.1 million in 2005-2006 in federal funding for work at abandoned mine sites.

The department established a partnership with the Kaska and Selkirk First Nations and Canada to work on the development of a Faro mine closure plan and set up First Nation community offices in Ross River and Pelly Crossing for participation in closure planning work for the Faro mine site. The Faro Mine Closure Planning office was very recently opened in downtown Whitehorse to lead the development of the Faro Closure Plan.

Yukon's placer mining industry has always been the backbone of the mining industry in the territory.

The new Yukon Placer Regime was developed through cooperation between Energy, Mines & Resources, the Council of Yukon First Nations and the federal Department of Fisheries and Oceans.

A total of $1.5 million will be cost-shared with the federal government to implement the new regime over the two fiscal years of 2006-2007 and 2007-2008.

The 2006-2007 Budget provides $708,000 to establish a secretariat to implement the new Integrated Regime Framework to manage placer mining in 19 watersheds in the Yukon.

This is another major success story for the territory.

Oil and gas is another strategic industry managed and regulated by Energy, Mines & Resources.

In 2005, there were two wells drilled in the Yukon; one in the north Yukon at Eagle Plains and one in southeast Yukon in the Kotaneelee gas field.

These were the first wells drilled in the Yukon in the past 20 years.

While Devon abandoned the well in Eagle Plains, the L-38 well was put in production in May of 2005 and this well has more than doubled production rates in Kotaneelee.

Our government continues to make the Yukon "pipeline ready" for both the Alaska Highway Natural Gas Pipeline and the Mackenzie Valley Pipeline projects.

In October, Governor Murkowski, Premier Klein, Premier Campbell and I agreed that the development of a strategic action plan for the Alaska Highway Pipeline project would enhance coordination and collaboration required to prevent delays in the project.

We met again in Anchorage two days ago on March 28th.

On February 21, 2006, Governor Murkowski announced that the State of Alaska and the producers, Conoco Phillips, BP and Exxon reached an agreement on a natural gas pipeline contract.

The deal still requires approval by the Alaskan Legislature, but once approved this clears a major hurdle and represents an important step towards the eventual construction of the Alaska Highway Natural Gas Pipeline.

Our government is also intervening in the Mackenzie Valley Pipeline Gas Project to ensure that Yukon is able to maximize opportunities that will arise from northern oil and gas development and ensure Yukon's natural gas reserves are not stranded.

The government's goal is to secure opportunities for Yukoners, while minimizing social and environmental impacts.

Our government continues to work with and provide funding to the Aboriginal Pipeline Coalition to assist First Nation communities in becoming "pipeline ready".

At the same time, we are insisting that the Government of Canada provide funding to Yukon First Nations to allow them to prepare for the Alaska Highway Pipeline just as they have provided assistance to the Deh Cho in the Northwest Territories to prepare for the Mackenzie Valley pipeline.

Energy, Mines & Resources is responsible for managing forestry in Yukon, another strategic industry.

The department has completed the Yukon Forest Policy Framework to guide the development of a new Yukon Forest Resources Stewardship Act to replace the outdated timber regulations inherited at devolution.

The new forestry legislation will centre on forest tenure, forest planning and will commit the Yukon to the sustainable management and sound stewardship of the Yukon's forest resources.

The department has developed a Strategic Forest Management Plan with the Champagne and Aishihik First Nations and the Renewable Resource Council.

Implementation of the plan includes fuel abatement, timber harvesting and an approach to the spruce bark beetle infestation.

The department has also developed an Interim Wood Supply Development Plan in partnership with the Kaska Forest Resource Stewardship Council which has recommended a three-year plan totaling 290,000 cubic metres of identified harvest opportunity.

EMR completed timber salvage plans for several of the 2004 Watson Lake fires.

Salvage opportunities for two of the largest of these fires near the False Canyon and Barney Lake fires has recently been awarded to Forever Green Wood Products Limited of Watson Lake to harvest up to 340,000 cubic metres of near saw-log quality timber over the next ten years.

Agriculture is another strategic industry on EMR's list of responsibilities.

The Agriculture Policy Framework (APF) offers programs that provide the agriculture and agri-food industry with the tools, services and options to strengthen business, increase prosperity and meet the demands of consumers.

APF funds have helped establish and promote the new Farmer's Market in Shipyards Park and provided assistance for industry to obtain new equipment to test in Yukon conditions such as the plastic bale wrapper and equipment to repair irrigation piping.

The Agriculture Branch has also developed a Master Gardener Manual for the Master Gardener Course put on by the branch each winter.

The new manual replaces previous publications with new, streamlined information that will provide Yukon gardeners with information relevant to northern gardening.

In this budget, $175,000 has been identified to purchase a mobile abattoir that is designed to service the red meat industry, beef, hogs and game-farmed elk and bison.

This infrastructure was identified by the agriculture industry as a major step forward in the development of a local agriculture industry in Yukon.

A successful lottery was held in the fall for two agriculture parcels in the Whitehorse area.

Five agriculture agreements for sale are ready to go to title.

An environmental assessment for a land offering of approximately two hundred and sixty hectares in the Haines Junction area has been completed and six lots ranging in size from ten to forty hectares will be offered for sale by lottery this spring.

In the Ibex Valley, our government has been working with the Ibex Hamlet Council and is looking forward to local area plan amendments that will result in the development of additional agricultural land.

If the Yukon economy is to continue growing, land development must keep pace.

For the first time, the public government and a First Nation government, the Teslin Tlingit Council, are exploring opportunities for the joint development of both public and First Nation land for residential and recreational purposes.

Such joint ventures bode well for the future.

Significant progress has been made to complete local area development plans and zoning regulations in the Whitehorse periphery.

These include plans and zoning regulations for Ibex Valley, the Mayo Road, the Hot Springs Road and Golden Horn.

Regulations in support of the Mt. Lorne Local Area Plan are expected soon.

Completion of these plans and zoning regulations provides opportunities for planned land development while reducing the potential land use conflicts that arise from spot land applications.

Our government takes its responsibility for land availability very seriously and we are looking forward to the continued economic and community opportunities that successful land development provides Yukoners.

Funding in the amount of $450,000 has been allocated to the Yukon Development Corporation to undertake preliminary planning and permitting work related to the development of the Carmacks-Stewart transmission line.

TOURISM & CULTURE

Tourism has proven itself to be the economic mainstay for the territory.

Tourism is a key strategic industry that has helped sustain, diversify and enhance the Yukon economy and has tremendous potential for growth.

The success of the Tourism Co-Operative Marketing Fund has been overwhelming with in excess of $1.9 million in funding being invested by government and industry to promote the Yukon world-wide since inception of the fund in May 2004.

This fund leverages matching dollars from the industry.

Of the $500,000 for the fund contained in the 2006-2007 Budget, $350,000 will be administered by the department with the remaining $150,000 to be administered by the Tourism Industry Association of Yukon.

Seventy applications from Yukon businesses received funding to market their products and services world-wide and another 84 applications received funding to attend consumer and trade shows throughout Canada, the United States, Asia, Germany and London, England in 2005.

The Tourism Co-Operative Marketing Fund is only one of several important marketing funds.

There are other important marketing partnerships such as:

- the $260,000 Alaska Travel Industry Association (A.T.I.A.) Joint Yukon Alaska Marketing Program which continues to be our highest return marketing program;
- the $264,000 Wilderness Tourism Association of the Yukon (WTAY) Adventure Marketing Program that enables the association to leverage over $80,000;
- the very successful $200,000 Meetings, Conventions and Incentive Travel (MCIT) Marketing Program with the Yukon Convention Bureau that generates $3.5 million in tourism revenues in the Yukon each year;
- the $118,000 Tourism North Marketing Consortium Partnership with Alaska, Alberta and British Columbia; and
- the $150,000 Yukon Quest Marketing Program that supports the Yukon Quest through contributions to specific media coverage and marketing of Yukon winter tourism.

Our total tourism marketing investment of $8.6 million in 2006-2007 demonstrates our commitment to tourism and our recognition of its importance to our economy.

Another major new initiative is the Yukon Tourism Brand Strategy.

Our government recognizes that a clear and identifiable Yukon Tourism Brand will ultimately benefit all sectors of the tourism industry and will ensure that tourism remains a top economic generator in the territory.

The strategy will define the attributes of the actual Tourism Brand, as well as provide a proper positioning statement of the brand imaging.

The statement will be the foundation on which to build basic guidelines, protocols, partnership programs, taglines, logos, licensing and merchandising.

Given the level of competition with other destinations, the Yukon Tourism Brand Strategy must outline how to showcase or develop products that support a distinct positioning for Yukon against competition.

Adoption of a Yukon Tourism Brand Strategy by local industry, communities, First Nations and Yukon residents is imperative if the strategy is to succeed.

The name Yukon, on its own, is a uniquely powerful branding tool because of the power of the imagery and the distinct appeal of the word, Yukon.

The Yukon Tourism Brand Strategy is supported by the senior marketing committee of the Yukon Tourism Marketing Partnership. The new Yukon Tourism Brand will be launched in April 2006.

The 2006-2007 budget supports a variety of recommendations provided by the Senior Marketing Committee and maintains the increases that were made in the 2005-2006 budget.

An increase of $50,000 in 2006-2007 is being added to the $150,000 in 2005-2006 bringing the total for implementing the Brand Strategy to $200,000.

An increase of $75,000 was made in 2005-2006 to enhance the tourism website, increase media relations and increase travel trade activities in North America and all these increases are maintained in the 2006-2007 Budget.

Our government has also made a substantial investment in Media FAM Tours - $156,000 for North America and $100,000 for overseas.

The total investment in Media FAM Tours both overseas and North American represents an increase of 250% from 2004.

Websites are an important marketing tool and $250,000 has been provided in the 2006-2007 budget to include stronger linkages to Yukon operators and new media and trade websites.

We are also continuing to develop and launch in-market websites in Germany, Japan and Australia.

The 2007 Canada Winter Games also provides an opportunity to market the Yukon and indeed, the entire North.

A $2 million Pan-Territorial Marketing Campaign is being developed to market the 2007 Canada Winter Games and to raise the awareness of the North in southern Canada, with $1 million being included in the 2006-2007 Budget.

The Department of Tourism & Culture also signed a Tourism and Sport Development Accord with British Columbia in order to strengthen our sports system and maximize the benefits of the 2007 Canada Winter Games and the 2010 Olympics for both jurisdictions.

With the 2007 Canada Winter Games fast approaching, the third season of Culture Quest is in high gear soliciting new projects from the culture community to support new works with an arts or heritage focus for presentation at special events such as the 2007 Canada Winter Games and the 2010 Olympics.

The $157,000 Culture Quest Program was initiated as part of Yukon's $200,000 Annual Decade of Sport and Culture Program. It was developed as a strategic initiative with the Yukon Arts Centre managing the program on behalf of the Department of Tourism & Culture.

Culture Quest projects can include performing, visual and literary arts projects, First Nations traditional and contemporary practices, and heritage projects that animate Yukon history.

The remaining $43,000 per year is allocated to the Yukon Convention Bureau to support sport tourism initiatives.

In September 2005, the Minister of Tourism & Culture made a promotional marketing trip to Europe. Her trip was very successful.

Condor Airlines officials in Frankfurt, Germany were very pleased with the number of passengers that traveled on the twice-weekly summer flights to Yukon and will be scheduling additional flights this summer.

New flights will add 520 seats and extend the summer travel season from May 9th to October 3rd.

Meetings with Air Canada officials in Germany also produced positive results.

For the first time, Tourism Yukon and Air Canada participated with German tour operators in a five-week promotional print campaign focusing on winter travel in Yukon.

Air Canada also committed to providing affordable one-way fares to Whitehorse and other western Canadian destinations to facilitate fly-drive tour programs.

Air North is also playing an important role in Yukon tourism with its nine weekly flights to Vancouver and three flights weekly to Calgary and Edmonton. These flights are particularly important in promoting the Gateway Cities Program that focuses on enhancing and increasing visitation from the Gateway Cities of Vancouver, Calgary and Edmonton.

Last summer Tourism Yukon and Air North gave away three Yukon adventure trips through the "Win Yukon: Four Friends, Four Days, Four Ways" contest that involved top-ranked radio stations in Vancouver, Calgary and Edmonton.

Lucky winners were allowed to choose three friends to join them on a four-day adventure including a choice of four activities from a list that included everything from rafting, canoeing, biking, golf, fishing, dog-sledding, skiing, to attending the Sourdough Rendezvous and the Yukon Quest. The number of entries far exceeded expectations.

The major tourism wholesaler Thomas Cook is also offering Yukon winter packages for the first time among seven major European wholesalers featuring Yukon tourism products.

Fulda Tire held its 2006 Fulda Challenge from January 28th to February 7th with teams from Germany, Belgium, Great Britain, Poland, Netherlands, Austria and Canada.

The Fulda Challenge, which contributes $1.1 million in local spending to Yukon's economy each winter, adopted an all-Yukon course this year beginning at Whitehorse and continuing along the Robert Campbell Highway to Watson Lake and Faro.

The Yukon Sourdough Rendezvous continues to be Yukon's main winter event and credit must be paid to those dedicated Yukoners who, year after year, make it all happen.

Our government is proud to be providing $50,000 in order to provide a stable level of funding support for the continued operation of this important winter event.

The Department of Tourism & Culture launched the $350,000 Scenic Drives Initiative in October of 2004 to further attract rubber tire visitors to the Yukon.

We made a further investment of $350,000 in 2005 and announced on March 13, 2006, that the second of the Yukon Scenic Drives is now online.

By logging onto www.driveyukon.com visitors can now choose between the Alaska Highway and the Klondike/Kluane loop scenic drives.

The website highlights attractions, events, cultural experiences, First Nations history in all regions and provides direct links to accommodation, RV parks and campgrounds.

The Golden Circle route, Silver Trail and Dempster Highway websites will be up and running later in 2006 giving potential travelers new and exciting virtual Yukon highways to discover.

On the February 25th weekend, Global Television aired a half-hour program featuring Ride Yukon 2005 on Biker TV to more than one million Canadians.

Tourism & Culture worked in partnership last summer with Ride Yukon in assisting Biker TV with filming the first Ride Yukon Event.

The success of that trip led to a full 30 minute program showcasing Yukon and including Yukon music with the footage.

It is hoped that the 2005 ride will generate interest and excitement for motorcycle enthusiasts to come for Ride Yukon 2006 which will take place from June 22nd to 25th under the theme Motorcycles, Music and Midnight Sun.

The Cultural Services Branch also has a number of initiatives on the move.

"Traditions of Change", a contemporary art exhibition featuring the work of 11 Yukon First Nation artists, has been on display in Zurich, Switzerland since September of 2005 and will end in April 2006.

Tourism & Culture developed two special art exhibitions at the Yukon Arts Centre: A Retrospective of Mark Porter's Tlingit Carvings and the Permanent Art Collection exhibition of all works collected since 1993.

These exhibitions were very well received.

The department provided $25,000 to the Yukon Art Society for its Arts Underground initiative, located in the lower level of the Hougen Centre on Main Street.

Arts Underground is an innovative partnership between the Yukon Art Society, the Yukon Arts Centre, the MacBride Museum, the Friends of Yukon Archives and the Hougen Centre that integrates cultural vibrancy with downtown development and promotes public participation in arts and heritage activity.

Tourism & Culture has entered into a contribution agreement with the MacBride Museum to expand the museum with $100,000 provided in 2005-2006 for the design and a further $400,000 in 2006-2007 for construction.

Resulting in part from the recently approved Museums Strategy, $200,000 in new funding is being provided to assist Yukon museums to undertake special projects important to their ongoing development, raising museum assistance to $1.135 million.

Tourism & Culture is also contributing $220,000 in funding to support four First Nation Cultural/Heritage Centres in Dawson City, Teslin, Pelly Crossing and Carmacks.

In total, $1.5 million in government funding will be provided to Yukon museums, interpretive and First Nation Cultural/Heritage centers in 2006-07.

Our government is also working with First Nation governments to preserve and protect historic sites in the Yukon.

The Rampart House Historic Site that is co-owned and co-managed with the Vuntut Gwitchin First Nation will receive $71,000 in funding in order to develop the Cadzow House.

Similarly, Tourism & Culture will provide $70,000 in funding for the continued development of the Forty Mile Historic Site which is co-owned and co-managed with the Selkirk First Nation.

Ancient ice patches in southwest Yukon are continuing to reveal their treasures.

In 2003, Cody Joe of the Champagne Aishihik First Nations retrieved an artifact from a melting alpine ice patch that has turned out to be the oldest moccasin in Canada at 1,400 years old.

Since 1997, annual fieldwork at the ice patches is carried out under a co-operative partnership between the Department of Tourism & Culture Archaeology Program and six Yukon First Nations with support from the Department of Environment.

Researchers have recovered more than 180 hunting related artifacts to date ranging in age from several hundred to over 8,000 years old.

Not to be out done, a palaeontological survey in the Old Crow Basin has unearthed the probable remains of a 125,000 year old beaver dam, the first ever fossilized artifact of its kind.

It appears that many of the sticks in the beaver dam were cut by beavers but it was unclear to the survey team if any were cut by the extinct giant beaver that lived 90,000 years ago.

Studies are now underway to make that determination.

The work, supported by land claims funding, was conducted on Vuntut Gwitchin settlement land and was part of a larger survey of ancient mammal fossils along the Porcupine and Old Crow rivers.

Yukon's history and pre-history remain drawing cards that attract visitors and scientists alike to the territory.

Waterfront developments in both Whitehorse and Carcross have tremendous tourism potential.

The Government of Yukon and Government of Canada are committed to providing $22 million for waterfront development in Whitehorse and Carcross under the Canadian Strategic Infrastructure Fund.

In Whitehorse, the bulk of the $19 million will be spent on basic infrastructure improvements such as water, sewer, street improvements and extensions, upgrades to the Kishwoot Island Suspension Bridge and restoration or relocation of heritage buildings.

Our government has already contributed approximately $4 million for the development of the Kwanlin Dun Cultural Centre to be located on the Whitehorse waterfront.

Our government provided $60,000 to the Artspace North Society and the Whitehorse Chamber of Commerce who have prepared an Arts and Heritage Village Development Plan, which portrays their vision for the Whitehorse waterfront.

In Carcross, the waterfront funding will be used for water, sewer and road improvements, community clean up, landscaping and construction of river structures.

Our government is looking forward to the day that the waterfronts in both Whitehorse and Carcross will once again assume their rightful place as being the heart of each community.

HIGHWAYS & PUBLIC WORKS

Transportation and communication infrastructure are critical building blocks for developing a sustainable, competitive economy.

Our government is very pleased with the long-term commitment that the Government of the United States has continued to make to the Shakwak Project for the reconstruction of the north Alaska Highway and the Haines Road.

In August 2005, the Government of the United States approved multi-year funding for completion of the remaining grading work, replacement of bridges, and commencement of pavement, where appropriate, on the project.

This is good news for all who travel on this section of the Alaska Highway corridor north of Haines Junction and on the Haines Road.

Local residents, commercial vehicles and tourists will benefit from a safer road and reduced travel time.

Many employment opportunities will also be available as we continue to proceed with the Shakwak project this year, totaling close to $35 million in new spending.

Four Shakwak Projects have been planned for the Alaska Highway this year:

- reconstruction, km 1692 to km 1702;
- BST and vegetation control, km 1707 to km 1717;
- design of new bridges for the Slims and Duke Rivers;
- and most importantly, the replacement of the current Donjek Bridge with a new and modern structure.

Work under this year's Shakwak Project is also planned for the Haines Road where the highway from km 71.3 to km 91.2 will receive pavement overlay.

Our government values the partnership with the United States and the benefits that this ongoing partnership brings to all travelers on the Haines Road and the Alaska Highway.

The Department of Highways & Public Works is seeking approval for reconstruction projects along the Alaska Highway to be cost-shared with the Government of Canada under the Canadian Strategic Infrastructure Fund.

Under this program, the Yukon will recover half of the projected $5.3 million cost of these 2006-2007 capital budget projects which will include a deck replacement for the Lewes River Bridge at km 1393, vegetation control from km 1603 to km 1627, deck replacement for the Seaforth Creek Bridge at km 1315, and a deck replacement for the Teslin River Bridge at km 1296.

Once again, as with the Shakwak projects there will be employment opportunities for Yukoners through this upgrading, and the traveling public benefits from a high standard, safe and secure road network.

It should be recognized in this regard that in December of 2005, our Highways & Public Works Minister was presented with the American Association of Motor Vehicle Administrators' 2005 Traffic Safety Award.

The award was for the greatest reduction in highway fatalities nation-wide based on Transport Canada numbers for 2003.

In October of 2005, the Dempster and North Klondike Highways to the Dempster Junction were recognized as being part of the National Highway System.

The decision to include these two northern highways officially recognizes the strategic importance of these highways to the economic and social well-being of northerners.

Further, recognition of these Yukon highways under the National Highway System provides higher profile and priority for federal funding opportunities.

The Department of Highways & Public Works will proceed with projects totaling $2.1 million to continue work along the Dempster Highway.

This improvement work will include:

- $600,000 for road re-surfacing because of the increased traffic experienced over the years; work will be performed using the Highway Equipment Rental Contract process;
- $500,000 for slide repairs at km 116 involving a localized relocation of this piece of highway and placement of new material in order to prevent further deterioration;
- $800,000 will be spent on gravel production for the surfacing work; and
- $200,000 will be spent on erosion control and the placement of rip-rap at various locations along the highway.

This work will generate considerable employment opportunities for local contractors and will not only improve the road for our travelers but will be good news for the oil and gas companies that use the Dempster Highway extensively.

The Highway Equipment Rental Contracts or HERC process is a new strategic delivery mechanism aimed at renting local equipment in order to provide timely service to the Government of Yukon in an operational capacity for projects relating to removal of vegetation, resurfacing, and construction of roads and highways in the Yukon.

The HERC initiative is our government's response to the concerns of smaller Yukon contractors who are not able to compete on larger projects.

HERC started out in 2004 as a pilot procurement project and it clearly demonstrated an increase in economic activity in the territory benefiting contractors, rural residents and businesses located throughout the territory.

Consequently, the HERC initiative will also be used to do reconstruction work on the South Campbell Highway.

The Department of Highways & Public Works is seeking legislative budget approval for $1.6 million in improvements along the south Robert Campbell Highway near Watson Lake.

One million will be dedicated to reconstruction work targeted between km 16 and km 20 of the Robert Campbell Highway.

The balance of the budgeted amount is for engineering and design work to commence the next phase of highway improvements from km 58 to km 185.

The Atlin Road is also going to be upgraded. An investment of $2.3 million will be made in order to proceed with the improvement of km 1 to km 7 of the Atlin Road.

This reconstruction, which will include earthwork, drainage improvements, and BST surfacing, will also improve safety along this section of highway.

Legislative budget approval is also being sought for $2 million in order to proceed with pavement rehabilitation on the Alaska Highway between the intersection of Two Mile Hill and Porter Creek.

The department also plans to improve some of the intersections through this region, as well as make other general safety improvements.

Communications infrastructure is also key to building a sustainable, competitive economy.

In 2007, the current Multi-Department Mobile Radio System or MDMRS will be over fifteen years old and is approaching the end of its useful life.

Consequently, Highways & Public Works is seeking legislative budget approval for $5.28 million in order to proceed with the Mobile Communications Solution or MoCS.

The replacement strategy consists of an integrated solution of cellular technology and a new public safety mobile radio system.

As was announced in December 2005, enhanced cellular phone service will begin within the next several months in the first 13 of 17 communities with the service to all communities being available by the end of 2007.

Improved communication and timely information is also important to the traveling public and to those who manage our transportation systems.

Accordingly, Highways & Public Works is seeking legislative budget approval of $290,000 in order to proceed with the implementation of several Road/Weather Information System projects.

These new intelligent transportation systems will allow for new and innovative methods of transportation management such as the transmission of traffic counts by satellite, relaying of real-time road conditions to those responsible for highway maintenance, automated generation of road condition reports and other advantages which will improve the safety and operation of Yukon's highways.

Airport infrastructure is also in need of upgrading and the department is seeking $1.6 million in order to proceed with renovations and expansion to the Whitehorse Airport Terminal to meet the new, more stringent screening requirements presented by the Canadian Border Services Agency as a result of 9-11.

Highways & Public Works is seeking a further $1.2 million in order to proceed with improvements and enlargement of the Whitehorse airport parking lot.

Phase one of the work will begin in 2006 with the entire project being completed by the fall of 2007.

Our government continues to upgrade its transportation and communication infrastructure in order to support our growing economy and to keep Yukon communities connected to one another and the outside world.

IV. BUILDING HEALTHY COMMUNITIES, ENVIRONMENT AND BETTER QUALITY OF LIFE

Mr. Speaker, in meeting the commitments outlined in our 2002 Election Platform, our government has placed as much emphasis on the environment, education, health and social side of the ledger as we have placed on the economic side.

One of the best social programs in the world is still to be able to find a good job and the health of an economy is inextricably linked to the health and well being of individuals and their environment.

The many initiatives in this budget and our three previous budgets have indeed helped build healthy communities, a healthy environment and better quality of life for all Yukoners.

COMMUNITY SERVICES

Community infrastructure is equally important as transportation infrastructure in improving the lives of Yukoners.

Our government has undertaken a great many capital projects since taking office to improve community infrastructure territory-wide.

Some have been completed while others are works in progress.

In Mayo, work was completed in 2005 to stabilize the Mayo river dyke.

In Keno, upgrades to the community water system were completed in 2005 to improve water quality.

In Old Crow, work started in 2004 to stabilize the Porcupine River bank, managed by Porcupine Industries, a Vuntut Gwitchin development corporation and Pelly Construction, under a contribution agreement with our government.

This project is scheduled for completion in 2006-2007.

In 2006, design work will begin on water system improvements in Old Crow as well as investigations on the sewage lagoon. Community Services is requesting $50,000 to undertake this work.

A second access route alternatives analysis and environmental assessment is underway for the Taku subdivision near Tagish and the Carcross town site.

The Taku subdivision has only one access road and is considered to be in an area of very high forest fire risk.

Similarly, Carcross currently has only one access and a second access will be required to meet the demands of a growing economy.

The department is seeking approval of $200,000 for the Taku subdivision second access and $100,000 for the Carcross second access in 2006-2007.

The repair of the walking bridge over the Pelly River at Ross River began in 2005 and is scheduled for completion in 2006.

Work continues on alternatives to replace the sewage treatment plants in Carmacks and Dawson City.

A Canada Strategic Infrastructure Fund (CSIF) application is being prepared for the planning, design and construction of the replacement of the existing mechanical plant in Carmacks which will directly service the central core of the village.

Community Services is seeking approval in 2006-2007 of $4.4 million for the Carmacks sewage treatment project.

A similar CSIF application was made in 2005-2006 for Dawson City sewage treatment and pilot testing of aerated lagoon technology for the community was undertaken.

The department is seeking $2.5 million in 2006-2007 for the Dawson City sewage treatment project.

While construction of sewage treatment and storage cells in Carcross was completed in 2004, enhancements are underway this year to accelerate evaporation.

A new multi-celled sewage lagoon was completed in 2005 to serve Burwash Landing and Destruction Bay as the existing lagoon will be decommissioned in 2006.

Construction of a community well in Army Beach is expected to be completed in 2006. The department is seeking $232,000 in 2006-2007 to investigate options and costs for development of a potable, self-serve water supply near the McClintock River Bridge on the Alaska Highway.

The water supply will service residents in the surrounding areas of Army Beach, North McClintock and South McClintock.

Community Services is seeking approval of $200,000 to identify, study, report options, and make recommendations to improve water and sewer systems in various communities.

In Old Crow, a request for $50,000 is required to affect suitable repairs to the existing water well because of permafrost damage.

Our government's platform commitment was to ensure Yukoners have safe drinking water.

As a consequence, our government launched a Domestic Well Program in 2004-2005.

To date, 37 contracts for wells have been committed at a cost of almost $843,000 at an average cost of $22,784.

Community Services is requesting approval in 2006-2007 of $700,000 for continuation of the Domestic Well Program.

In Whitehorse, Hamilton Boulevard improvements were completed in 2005 and $250,000 is being requested to conduct planning, centre line and brushing work in 2006-07 for a south extension to the Alaska Highway at Robert Service Way.

Community halls and recreation centres are important to all Yukon communities as they are often the focal point of community life.

Community Services is working with the community of Mayo, utilizing the Municipal Rural Infrastructure Fund (MRIF), to create a community centre which will be the recreational and community social focal point for Mayo and the surrounding area.

Community Services is requesting $3.156 million in 2006-2007 to construct the Mayo Community Centre.

Our government is undertaking another MRIF community centre project in Marsh Lake.

A request for $1.159 million in 2006-2007 is being made to undertake the Marsh Lake community centre project which includes the construction of a multi-use community building to serve the community of 400 and the local region's requirements for sport, recreation and community meetings.

Another MRIF project involves the construction of a new ski chalet at Mt. Sima for the 2007 Canada Winter Games.

Community Services is seeking approval of $700,000 for the Mt. Sima Ski Chalet that will serve the community long after the 2007 Canada Winter Games.

Our government is fully committed to ensuring that the 2007 Canada Winter Games are a huge success.

Total funding from 2003 through to completion of the games will be over $50 million, including $19 million for the Canada Games Centre and over $31 million for the residences at Yukon College that will be used for the Athletes Village as well as a $4 million contribution to the Host Society for both O&M and Capital.

Community Services is requesting approval in 2006-2007 of $8.7 million to finish the college residences for use as the Athletes Village.

Fire is an ever present threat to all Yukon communities.

For this reason, the department is requesting approval of $1 million in 2006-2007 for the Firesmart Program that implements fuel reduction safety projects to reduce the threat of wildfires.

Community Services is also requesting $320,000 for fire hall upgrades: $50,000 in design funds for Carcross to upgrade the old government grader station as a volunteer fire hall; $150,000 for Tagish to construct a second bay at the present fire hall; and $120,000 for Golden Horn to commence design work to replace or upgrade the existing fire hall.

The department is also proposing to upgrade its fleet of fire tankers for volunteer fire departments through a $300,000 allocation in 2006-2007.

The Emergency Measures Organization (EMO) is requesting $100,000 for its Rescue Boat Program to address the safety of Yukoners and visitors recognizing the increased boating traffic on the southern lakes.

A high powered rescue boat will be purchased for the Tagish Lake system in 2006.

EMO, on a 50/50 cost share basis with the Town of Teslin, will provide $50,000 to assist in purchasing highway rescue equipment including protective hazmat suits to safely attend hazardous sites.

EMO will require a further $25,000 to replace rescuer equipment such as GPS, ropes, tents, first aid supplies, water safety and other rescue and safety equipment.

The Motor Vehicles Branch is seeking approval of $955,000 to upgrade its computer system to support new levels of service delivery.

Our government has also launched a new information tool for business and investors called Bizpal or Business Permits and Licenses.

Bizpal is a web-based service that will allow business clients and investors to easily generate a customized list of all government permits and licenses needed to start up a business anywhere in the Yukon.

Our government is working with local governments and First Nations to develop land to meet the growing needs of the real estate market in Yukon and to develop an orderly planning, development and disposition of lots throughout the territory.

Our election platform commits us to make land available to Yukoners for community, residential, recreational and resource use purposes.

Our government, through the Departments of Community Services and Energy, Mines and Resources, is living up to that commitment.

In Whitehorse 107 urban residential lots in Copper Ridge became available in 2005 and another 105 lots will be available in 2006, completing the entire Copper Ridge development. The department is requesting $2.25 million to complete this development.

In 2006, 20 rural residential lots will be developed in the Hot Springs Road area.

In Haines Junction, 14 country residential lots became available in 2005.

In Carcross, planning for residential lots will begin in 2006.

Community Services and Energy, Mines and Resources are working in Grizzly Valley and in Mt. Lorne to develop rural residential lots.

Beginning in 2006, we will begin a territory-wide assessment of potential cottage lot locations and $150,000 is being requested in this budget to carry out this work.

Work is also underway to develop 110 country residential lots in the Whitehorse Copper subdivision, and 25 service industrial lots in the Whitehorse Mt. Sima Industrial subdivision.

Community Services is seeking approval of $7.973 million in 2006-2007 to carry out this development.

YUKON HOUSING CORPORATION

Our government, through the auspices of the Yukon Housing Corporation, is meeting the housing needs of seniors, other Yukoners and staff.

In 2004-2005 ten senior-friendly condos were completed in Takhini and in 2005-2006 an energy efficient twelve-plex of condos was completed in downtown Whitehorse. Four of these units are senior friendly. These private sector projects were assisted through the Joint Venture Loan program.

The Joint Venture Loan Program is designed to stimulate private sector housing development and this budget includes $1.7 million that can be accessed by the private sector.

In 2005, YHC began a review of its lending programs starting with the Home Repair Program, to ensure these programs are delivering maximum results to Yukoners.

In 2006-2007, $2.5 million has been allocated for the Home Repair Program.

In 2006, YHC adjusted the affordability threshold for first time home buyers with a better interest rate, extended amortization terms and increased the limit to mortgages to enable first time home buyers to access mortgage financing in Yukon's rising real estate market.

YHC has identified $7.35 million in the 2006-2007 budget to meet the needs of the Home Ownership Program.

The Canada-Yukon Affordable Housing Agreement encourages industry to meet the need for energy efficient, affordable, barrier free housing.

In 2005-2006, YHC approved financial assistance to offset the cost of building to YHC standards including 44 home ownership units and 20 rental units being built in the Falcon Ridge development in Whitehorse.

Under the same program, YHC provided a $3.5 million contribution towards the construction of 48 new affordable housing units at Yukon College in Whitehorse that will be used initially as part of the Athletes Village for the 2007 Canada Winter Games.

YHC has allocated $2 million in the 2006-2007 budget for the Canada-Yukon Affordable Housing Agreement.

In 2006, YHC initiated consultations on the feasibility of a six unit seniors housing building in Haines Junction.

In keeping with our platform commitment for increasing the inventory of affordable seniors housing, the YHC Board of Directors approved changes so that seniors above the income threshold who have mobility problems can apply for the social housing program.

As well, in 2005, YHC initiated a seniors housing program in Faro and retrofitted two vacant staff housing units in Faro to accommodate seniors.

To promote aging-in-place without impacting the rental market, YHC included provisions in the Rent Supplement Program for seniors currently in rental accommodation to assist them to remain in their current accommodations if that is their preference.

YHC has included $100,000 in its 2006-2007 budget for the Seniors Housing Management Fund which is a dedicated source of funding for future seniors housing projects.

Responding to concerns about priority housing for women leaving abusive relationships, YHC is reviewing the eligibility criteria for social housing.

The corporation is also upgrading social housing and staff housing to improve overall quality and beginning in 2004, YHC began excluding child support payments from the calculation of income used to assess the tenant rents in Yukon social housing units so that low income parents in social housing would retain more disposable income for use in meeting other needs of their children.

This is another one of our government's election platform commitments.

Another platform commitment was to develop an integrated pet policy for government sponsored senior housing.

The YHC Board of Directors will provide final approval in 2006 on the implementation of a territory-wide pet policy.

ENVIRONMENT

The Department of Environment is moving on a new initiative that will have critical long-term benefits for decision-makers who must consider the many aspects of natural resource management in the territory.

Referred to as the Biophysical Land Classification and Mapping project, this initiative will have benefits for land use planners, wildlife and forest managers, mining companies, Renewable Resources Councils, the agriculture industry, and the many federal, territorial and First Nations governments and agencies that will be called on to make land use and resource management decisions.

Over the long term, this new system will contribute to sustainable development and benefit the Yukon's environment. The Yukon's wildlife will benefit through more effective habitat planning.

We have allocated $180,000 to start this project this year.

Tasks will include the recruitment of an expert ecologist to head the delivery of this new program and the development of a strategic plan to put all the pieces together.

The department is also moving forward on its commitment to climate change initiatives.

The Department of Environment has been a key player in the government's climate change activities ever since it helped in the establishment of the Northern Climate Exchange at Yukon College more than six years ago.

The department now has a Climate Change Co-coordinator on staff to begin the next phase of planning the delivery of climate change activities to address concerns of impacts and adaptations.

For example, there are concerns for the impact of climate change on the health of our wildlife, and plant populations and whether we will be facing new diseases that have not existed here in the past.

The Department of Environment is continuing the government's commitment to the Yukon Wildlife Preserve by helping to improve the infrastructure.

The major task is to make sure the preserve is double fenced so that the risk of nose to nose contact and the risk of wildlife escaping into the wild or wild animals entering the preserve is minimized.

Fencing is one of the requirements for the preserve to become an accredited member of the Canadian Association of Zoos and Aquariums which sets standards for animal care, housing and security.

The department oversees a variety of fish and wildlife management plans with input from First Nations, local resource users, the public, Renewable Resources Councils and the Yukon Fish and Wildlife Management Board.

Works in progress include an elk management plan, a Southern Lakes moose recovery plan, as well as reviews of the integrated fish and wildlife management plans for the Kluane, Teslin and the North Yukon regions.

We are also working with the Kaska to carry out fish and wildlife planning in their traditional territory.

We will be carrying out several species at risk management plans this year including work on Yukon wood bison, bears, woodland caribou and wolverines.

This is the final year of the Chisana Caribou Recovery Project, a very successful model of international and intergovernmental co-operation.

The partners have been the White River First Nation, the Yukon Fish and Wildlife Management Board, the Canadian Wildlife Service, the Alaska Department of Fish and Game, the United States National Parks Service, the U.S. Fish and Wildlife Service, and of course, the Department of Environment.

The techniques developed over the last three years are now being looked at by agencies in Alberta which see this project as a possible answer for recovery efforts aimed at declining caribou herd populations in that province.

The department's commitment to land claims implementation is also highlighted within its Parks Branch and the efforts towards Special Management Areas and parks planning.

Much of the work will be done on ecosystem assessments and preparing information for future SMA management planning.

Work is also continuing on management plans for the Fishing Branch Ecological Reserve and the Fishing Branch Wilderness Preserve and Habitat Protection Area.

Management plans for Nordenskiold, Ddhaw Ghro and Lhutsaw Habitat Protection Areas are also being drafted.

Our government, the Tr'ondek Hwech'in First Nation government and Holland America are working on a partnership agreement to promote interpretive trips into Tombstone Territorial Park.

In other parts of the territory, work is planned to fix and upgrade facilities at the Five Fingers Rapids wayside, and at the Wolf Creek, Kusawa Lake, Pine Lake and Simpson Lake campgrounds.

The department will also be working with Ta'an Kwach'an First Nation for the maintenance and management of the campsite on the 30 Mile portion of the Yukon River out of Lake Laberge.

Concern for drinking water and making sure our water is safe has resulted in $20,000 being added to the Parks Branch operations budget. Bio-physical well water quality monitoring will be carried out on a regular basis to ensure basic environmental health water quality standards are maintained.

Programs popular with the public will be supported this year as work is done to improve public viewing at the Whitehorse Fishway and to expand the Whitehorse Rapids Fish Hatchery.

The wildlife viewing program will be adding to its efforts to increase the public's wildlife viewing satisfaction. New wildlife viewing information signs will be installed at significant wildlife areas in Whitehorse, at Emerald Lake on the Carcross Road, at Keno Hill, Gravel Lake and Wye Lake.

YOUTH DIRECTORATE

Yukon youth are our future and our government, through the Youth Directorate, continues its strong focus on supporting our young people.

The Youth Directorate, through the Executive Council Office, is continuing to support three major youth groups in Whitehorse.

Each group receives $110,000 annually for their ongoing operations in helping young people.

Bringing Youth Towards Equality or BYTE is an advocacy group that targets youth involvement and education to a broad youth audience.

The Youth of Today Society or YOTS focuses on employment and provides services to youth between the ages of 16 to 25.

The Whitehorse Youth Centre Society/Boys & Girls Club of Whitehorse provides education through activities and a prevention focus to a younger age group between 13 and 16.

The Youth Directorate is now funding a fourth youth group, the Francophone Youth Group "Comité Espoir Jeunesse" with a $25,000 contribution.

Funding is also provided to the Youth Winter Activities Program, in the amount of $200,000, to 17 rural Yukon communities to offer activities, training and employment for youth in the winter months.

Funding is also provided to support summer activities for youth.

Dawson, Mayo, Burwash Landing, Beaver Creek, Faro, Mount Lorne, Tagish and Marsh Lake each receive $5,000 to support youth activities in the summer.

All the other communities participate in the Summer Leadership Program put on by the Department of Justice.

Outstanding youth achievement awards are provided to individual youth or youth groups who have provided a significant contribution to their communities.

The awards are handed out at the annual youth conference.

The Youth Directorate also sponsors a Youth Leadership Training Workshop that provides over 50 youth from across the territory with skills and hands-on training to promote activities for other youth in their communities.

The Youth Facilitator Training Course on March 21-23, 2006, provided facilitator training to youth workers throughout the territory to develop skills on engaging youth through the arts. About 25 youth service providers from across the territory participated in this skill development course. This initiative was prompted by the successful fall conference of youth serving organizations in Yellowknife.

EDUCATION

Our government continues to make a heavy investment in education both on the capital side and on programming.

School construction, expansions and renovations total $12.979 million in the 2006-2007 budget, some of which include:

- $6.775 million for construction of the Tantalus School in Carmacks for a total cost of $11.4 million;
- $1.4 million to complete the Porter Creek Secondary School cafeteria expansion and renovations;
- $300,000 to repair the roof of the Vanier Catholic Secondary School;
- $300,000 to fix the ventilation system in the F.H. Collins industrial arts wing; and
- $360,000 to put a speed skating oval at the F.H. Collins lower bench in partnership with the Canada Winter Games Host Society.

Our government has placed considerable emphasis on trades and technology training.

We restored the Community Training Funds in the 2003-2004 Budget to $1.5 million and have maintained this level in successive budgets including the 2006-2007 Budget.

An awareness campaign targeted to students, teachers and parents, will continue to promote trades as a desirable career option.

Three new apprenticeship categories were created and implemented: heavy equipment technician – off road, motor transport technician, and truck trailer technician.

A Piping Trades Program was offered at Yukon College for the Winter-Spring Session of 2004-2005.

We also supported efforts to train Yukoners for oil and gas jobs by offering entry level Petroleum Industry Training Service (PITS) certified courses at Yukon College.

The number of registered apprentices has increased 28% since February of 2005 and this program continues in 2006-2007.

In keeping with our 2002 election commitment to index the student grant, $100,000 was designated in 2005-2006 and a further $100,000 is being allocated for 2006-2007.

Our government has expanded alternative education by opening the Individual Learning Centre early in 2005 to encourage high school drop outs to return to school and re-engage in learning.

The ILC has been very successful because of its flexible and supportive environment.

Our government continues to make literacy a priority because it is a fundamental building block of education.

The Literacy Action Committee disbursed two rounds of funding in 2005 with the continued support of our government for local literacy initiatives throughout the Yukon.

Most recently in November of 2005, approximately $78,000 was awarded to 15 groups operating initiatives in Whitehorse and in the communities.

The International Adult Literacy Skills Survey Results released in November of 2005 show that Yukoners on average have the highest literacy rates in Canada. However, the survey also indicated other areas for improvement.

On February 15, 2006, our government announced nearly $100,000 in funding for a workplace literacy project that is being made available to staff of Yukon First Nation governments.

The workplace literacy project will focus on the development of both basic and high-level literacy skills that some First Nation government staff may need in order to reach their personal and professional goals.

Eight First Nations are participating in a partnership with our government on this initiative.

Our government has made Fetal Alcohol Spectrum Disorder or FASD a matter of top priority and is developing and implementing its Five-Step FASD Action Plan.

In Education, a total of $465,000 has been identified for FASD initiatives that will provide a continuum of support for those affected by FASD starting with pre-schoolers and continuing through to post-secondary students at Yukon College.

Currently, the teacher training program is being implemented at the Tantalus School in Carmacks, the Eliza Van Bibber School in Pelly Crossing and the Johnson Elementary School in Watson Lake.

At Yukon College, this training program, with a contribution of $137,000 from our government, will assist FASD affected students to complete their academic or vocational programs and enable them to make successful transitions into the labour market in their communities.

Language lies at the heart of First Nation culture and the Department of Education budgeted $111,000 in 2004-2005 to hire two new native language instructors and a further $72,000 in 2005-2006.

A further allocation of $23,000 in 2006-2007 is being made to bring the number of First Nation language instructors to 32.

Our government in 2005 entered into an agreement with the First Peoples Cultural Foundation to pilot the "First Voices" program initially in two Yukon schools.

"First Voices" is being utilized to support the Han language at the Robert Service School in Dawson City, the Southern Tuchone language at the Elijah Smith Elementary School in Whitehorse and the Tagish language at the Carcross Community School.

In conjunction with the Department of Education, the Executive Council Office has $910,000 in the Aboriginal Language Program to support community-based language initiatives aimed at revitalization, maintenance and increased usage of aboriginal languages.

Education reform is one of two major initiatives our government is undertaking with the Council of Yukon First Nations.

The Education Reform Process was launched on August 26, 2005, and is estimated to take two years to complete.

It will build on input already gathered through the Education Act Review and other processes in order to develop recommendations for changes to the current system to meet the needs of all Yukoners.

The Education Reform Process will not stop or defer any bilateral negotiations or arrangements with individual First Nations and is open to all stakeholders in Yukon's education system.

The department has budgeted $674,000 in 2006-2007 to undertake this initiative.

JUSTICE

The Consultation on Corrections Project is the other major initiative our government is taking with the Council of Yukon First Nations.

At the end of November 2005, the Corrections Consultation Project Team tabled the Corrections Consultation Interim Report, "Your Views ... Your Voice" at the Correction Summit.

The public consultation began in April of 2005 and concluded in November.

During that time the Project Team visited communities and met with the public, non-government organizations, frontline staff in the Yukon and First Nation governments, chiefs, mayors and councilors, and the staff and inmates at the Whitehorse Correctional Centre.

The interim report, "Your Views ... Your Voice" incorporates the views the Project Team heard expressed during the consultation meetings.

At the Summit, at the end of November and early December, representatives from communities, non-government and governments provided their views on the major issues raised during the public consultation.

Their views assisted the Corrections Consultation Team in creating a draft Corrections Action Plan.

The final report will be released in spring 2006 and a draft Corrections Action Plan will be reviewed by the Chiefs and our government at a Yukon Forum meeting this spring.

The Department of Justice has allocated $1 million in the 2006-2007 budget to begin the development of new correctional infrastructure that will use the input from the elders that was previously given, along with the Consultation on Corrections Final Report to guide its construction.

The Yukon Substance Abuse Action Plan is another major undertaking by our government.

The Action Plan represents a partnership between the Departments of Justice, Health and Social Services, and Education, the Executive Council Office, the Women's Directorate, the Youth Directorate and the Yukon Liquor Corporation.

A draft of the Yukon Substance Abuse Action Plan was released in October 2005.

The Action Plan contains many new initiatives, as well as expansions of existing programs and services that focus on four strategic directions:

- harm reduction;
- prevention and education;
- treatment; and
- enforcement.

The Substance Abuse Action Plan is based on community involvement and partnerships with Yukon non-government organizations and agencies.

A fund of $2 million has been included in the budget of the Executive Council Office that will be utilized to implement the initiatives arising out of the Substance Abuse Action Plan.

One of the initiatives arising out of the Substance Abuse Action Plan that will be implemented by the fund is the Safer Communities and Neighbourhoods legislation.

Our government committed to tabling this legislation in this sitting of the legislature.

The legislation is modeled on the Saskatchewan and Manitoba legislation and is designed to give government a civil remedy to stop unsafe behaviours in neighbourhoods such as drug dealing or illegal alcohol sales.

This is one more tool for government to combat the spread of substance abuse in our communities.

This item is one of the many Substance Abuse Action Plan initiatives. There will be many more.

The Department of Justice has allocated $104,000 to begin implementation of the Safer Communities and Neighbourhoods legislation. A full implementation plan and final costing will be available later this spring.

Alcohol, crack and marijuana are still the cause of most substance abuse problems here in the North; however, we know that crystal meth is causing serious problems in southern jurisdictions.

Through the Substance Abuse Action plan, we have the opportunity to do some important prevention work to help minimize the impact of this dangerous drug.

As a consequence, our government launched a Crystal Meth Education series beginning in January of 2006 to provide factual information about the drug through a series of workshops and information sessions to parents, professionals and youth.

A sub-committee of the Yukon Substance Abuse Action Plan working group, consisting of representatives of the Departments of Justice, Education, and Health and Social Services and the Youth Directorate, developed a series of workshops focused on education and prevention.

Seventy-five frontline workers attended one workshop and to date over 320 Yukoners have participated so far through this series.

The Department of Justice has successfully lobbied the Federal Government for a four year period to implement a treatment program for children who witness domestic violence.

The program first started in 2005-2006 and $50,000 of federal funding will be available in the next three fiscal years as well.

Across the North, there is a chronic shortage of qualified justice workers.

Accordingly, our government is conducting a feasibility study to determine whether a Northern Institute of Justice could be created.

The total cost for the project over two years is $218,000 - $88,000 in 2005-2006 and $130,000 in 2006-2007.

The study is jointly funded by the Departments of Justice and Education, Justice Canada, the RCMP and the Federal Council.

A Northern Institute of Justice would help train new and existing staff so that the highly qualified trained staff could provide quality programming across the North for our justice system.

HEALTH AND SOCIAL SERVICES

Our government has completed negotiations on a health care deal with Canada and the other provinces and territories.

Approximately $29 million will be provided to the Yukon over the next five years, for the Territorial Health Access Fund and the Territorial Medical Travel Fund.

Just recently, Health and Social Services signed funding agreements with Health Canada which follow out of a commitment from the Prime Minister at the First Ministers Meeting in September 2004.

The commitment was to provide the three Territories with $150 million over five years to support health reform, help improve access to services, and support the costs of medical travel.

The Territorial Health Access Fund will give the Yukon $4.3 million per year, and will support activities such as developing and implementing a comprehensive Health Human Resources Strategy, improving palliative care, and enhancing access to dental services in the communities.

The Medical Travel Fund will provide us with $1.6 million per year for five years.

Yukon also had an agreement in 2005-06 with Canada Health Infoway Funding which provided funding for a number of projects such as:

- a strategic planning project for the management of Health and Social Services information and supporting technology over the next 3 to 5 years, with emphasis on building the infrastructure for an electronic health record;
- a client registry planning system to enable coordination of pertinent health information from disparate systems; and
- drug information system planning that will enable health care providers to review the complete history of prescription information for an individual and improve their decision making.

Under the Primary Health Care Transition Fund there is $1.8 million for 2005-2006 with a $505,000 extension to September 2006 for projects that include:

- Development and release of the Yukon Health Guide and establishment of access to the BC/Yukon Health Guide site;
- Development of Chronic Disease Management and Palliative Care Project;
- a new Insured Health Services system for processing and paying medical claims;
- Implementation of a case management computer system for mental health services; and
- Implementation of a computerized Public Health Immunization system.

Health and Social Services, together with other departments such as Education and Justice, is continuing to implement our government's Five-Step FASD Action Plan.

Training workshops for professionals are completed and ongoing and a training needs assessment tool for communities has been completed and implementation is on going.

Health and Social Services has updated FASD public service/media ads, prevention brochures, and early pregnancy tips and has held workshops.

The department has increased funding to FASSY and is supporting a meconium testing research project being conducted by local doctors.

Further FASD support has been implemented in Yukon schools as stated earlier in the Teacher Training and school-based programs including the introduction of a school-age diagnosis program.

Our government continues to work hard to attract more health care professionals to Yukon and in particular family doctors.

A new surgeon and two general practitioners have started work in Yukon and the department is providing support to international medical graduate and Yukon resident Xui Mei Zhang to complete the assessment process that will allow her to fully practice medicine in Canada.

Health and Social Services is seeking approval of $345,000 in 2006-2007 to purchase three ambulances.

It is also seeking authorization to spend $750,000 to complete upgrades and emergency repairs to community nursing stations and to purchase equipment needed to provide care.

Our government has provided funding for opening up additional beds at Macaulay Lodge and Copper Ridge and the department is currently seeking authority in 2006-2007 to spend $100,000 to assess and plan for future continuing care needs in the territory.

Health and Social Services is also seeking budget approval to conduct a mental health housing options assessment to assess and plan the housing options and residential supports required for persons with serious mental health illnesses.

In November 2005, the department contributed $14,000 to the Anti-Poverty Coalition to allow the NGO to introduce a new support program for low income individuals. The project is designed to help people to gain the skills to set and maintain peer support groups and help them find supports they need to ease daily living requirements, mentoring and finding inexpensive sources of products and services.

In addition, Health and Social Services provided a 3% increase to contribution agreements in 2005 – 2006 for non-government organizations.

At the end of January 2006, our government provided $61,000 in funding from Health and Social Services to a new, non-government organization supporting families and individuals with Autism Spectrum Disorder.

Also in 2005, this government introduced a 100% increase from $125 per month to $250 per month for the territorial supplementary allowance (TSA) for persons with disabilities and seniors receiving social assistance. This initiative demonstrates our commitment to taking care of the most vulnerable people in our society.

In keeping with our government's 2002 platform commitment, the department increased the Pioneer Utility Grant by 25% and indexed it against inflation in 2004, with an additional 10% increase to the base effective October 2005.

Child care continues to be a priority for our government.

Health and Social Services provided a 3% increase in the direct operating grant in 2005-2006 to assist child care operators with staff wages and operating costs. Funding for a further 5% increase is included in the 2006-07 budget request.

Earlier this month, our government announced its support for a public awareness campaign on the importance of child care for Yukon children and families.

This awareness campaign will be conducted by the newly formed Child Care Coalition – Yukon (CCCY) representing the three Yukon child care groups: the Yukon Child Care Association, the Society of Yukon Family Day Homes and the Child Care Awareness Committee.

WOMEN'S DIRECTORATE

The Women's Directorate continues to play the lead role in addressing the prevention of violence against women and children.

In November of 2005, our government launched its first phase of a three-year public education campaign addressing violence against women and children as part of the efforts around Women Abuse Prevention month.

The campaign is being led by the Women's Directorate and the Department of Justice and is being developed by an inter-agency group of 19 organizations dedicated to stopping violence against women and children in the Yukon.

The campaign ties in with our government's Substance Abuse Action Plan as family violence is often linked to substance abuse.

The campaign encourages people to use services like VictimLink, a phone line to help victims of violence that is available 24 hours, seven days a week.

Information can also be found on a new website: www.stopviolenceinyukon.ca.

In order to carry out its mandate, the Women's Directorate budget has increased by $190,000 in 2006-2007 over the main estimates for 2005-2006 which clearly shows our government's commitment to women's issues and gender balance.

There has been a $140,000 increase in contribution agreements that enhance our government's commitment to seven grassroots women's organizations to support their development and capacity to effectively enhance the equality of all Yukon women.

An additional $10,000 contribution to the Victoria Faulkner Women's Centre advocate position will be provided in 2006-2007.

Funding is being provided to the Women's Directorate to establish a new indeterminate position, First Nations Liaison Coordinator.

There has been an increase of $20,000 to support ongoing work on violence prevention, Yukon Advisory Council on Women's Issues and public education on women's equality issues.

Again this year, funding will be provided to aboriginal women's groups to support the Aboriginal Women and Violence initiative.

BUREAU OF FRENCH LANGUAGE SERVICES

The Francophone community participated in the October 2005 selection committee to hire the new Director of the Bureau of French Language Services.

Our government also announced in 2005 that we will create a directorate affiliated with the Department of Highways and Public Works in 2006 and that the Association Franco-Yukonnaise will be consulted on the implementation of the new structure.

PUBLIC SERVICE COMMISSION

Yukon public servants are critical members of "Team Yukon" that make government programs and services work and meet the needs of all Yukoners.

Our government is committed to continued investment in the public service and to developing and sustaining our organization as one that provides top quality programs and services to Yukon people.

Our government therefore is continuing to invest $1.382 million to "Investing in Public Service: Serving Yukon People" (IPS) that we announced in our 2005-2006 Budget.

The IPS initiative supports our government's priorities to build a sustainable, competitive economy and build healthy communities, environment and better quality of life by establishing the ground work for better program and service delivery to Yukoners.

On December 1, 2005, I had the honour and privilege to announce the first ever Premier's Award of Excellence to seven individuals and three teams, the Forest Management Transition Team, the Development Assessment Process Team and the Adult Protection Legislation Team.

It is public servants like these award recipients who go above and beyond the call of duty on a daily basis that instill pride in our public service.

Our government is committed to developing the public service so that it is attractive to encourage our talented young people to return to Yukon after graduating from a post secondary institution.

To accomplish this end, the Public Service Commission established the Grad Corps in the fall of 2005 that facilitates the hiring of Yukon post-secondary students for employment with the Yukon Government.

The first intake in 2005 saw the hiring of interns in five departments and the second intake is currently in progress.

Our government remains committed to workplace diversity.

The Workplace Diversity Employment office helps us achieve that commitment by providing training opportunities for Yukon First Nations people and helps our government meet its land claims obligations as well as providing opportunities for people with disabilities to work within the public service.

CONCLUSION

The 2006-2007 budget is the final budget in our current mandate.

We have used our successive budgets to provide an economic stimulus to Yukon's private sector economy.

We have cash managed the Yukon economy. That stimulus has worked.

The positive statistics about our population growth, historic low unemployment rates, and burgeoning mining, tourism and film industries speak for themselves.

No one can argue that the Yukon is not better off today both economically and socially than it was in 2002 when we took office.

Our budgets reflect a balanced vision for our territory based on the fundamental principles of strong fiscal management, cooperative, collaborative government, a balance between the economy and the environment and a strengthening of our social fabric.

Our successive budgets have allowed us to fulfill our election commitments to Yukoners that were made in 2002.

We have not been deterred from implementing our progressive social and economic agenda by the challenges left to us by previous administrations such as the unpaid government loans, the Mayo-Dawson Transmission Line, the Energy Solutions Centre, and the financial position of the City of Dawson. All of these issues are currently in the process of being resolved.

Our government has met the challenges of the past and is prepared to take on the future.

Once again, we would like to thank all the departmental officials for helping us to put this budget together.

It is indeed a product of many hands.

Mr. Speaker, I commend the 2006-2007 Budget to all members of the House for their consideration.

Mr. Speaker, we are building Yukon's future together.

BUDGET HIGHLIGHTS

COMMUNITY SERVICES

- $8.7 M to complete the $31M Athletes Village.
- $200 K for Taku subdivision, Tagish, second access.
- $100 K for Carcross townsite second access.
- $50 K for Old Crow water well repairs.
- $4.4 M for Carmacks sewage treatment.
- $2.5 M for Dawson City sewage treatment.
- $320 K for fire hall upgrades in Carcross, Tagish and Golden Horn.
- $200 K for territory wide water and sewer improvements.
- $700 K for continuation of the Domestic Water Well Program.
- $250 K for Hamilton Boulevard extension planning, centre line, brushing work.
- $3.15 M for Mayo community centre.
- $1.2 M for Marsh Lake community centre.
- $700 K for Mount Sima Chalet project.
- $1 M for Firesmart fuel reduction safety projects.
- $100 K for EMO Rescue Boat Safety Program for Southern Lakes.
- $955 K for Motor Vehicles Branch computer system upgrade.
- $232 K to investigate options for Army Beach area potable water supply.
- $300 K to upgrade volunteer fire department fire tanker fleet.
- $2.25 M to complete Copper Ridge subdivision development.
- $7.97 M for Whitehorse / Mount Sima Road area subdivision development.

ECONOMIC DEVELOPMENT

- $6.6 M for five funding programs, including $3.3M for Community Development Fund projects.
- "Pathways to Prosperity" strategic planning exercise.
- $70 K to host F/P/T Northern Development Ministers Forum.
- $150 K to host International Film Festival.
- Dempster Corridor strategy economic development plan.
- $1.7M for completion of the Rail Feasibility Study.
- $77.5 K for Economic Forestry Assessment.

- $550 K for Northern Town filming.
- $61 K for Destination Carcross.
- $60 K for Small Business Opportunity Development Program, Raising Our Game.

EDUCATION

- $300 K for F.H. Collins industrial arts wing ventilation.
- $360 K for speed skating oval at F.H. Collins.
- $300 K for Vanier Catholic Secondary School roof repair.
- $6.775 M for Tantalus School in Carmacks.
- $305 K for school cultural program activities.
- $674 K for Education Reform.
- $200 K for Student Financial Grant indexing.
- $1.4M for Porter Creek Secondary School cafeteria expansion and renovations.
- $1.5 M for Community Training Funds.

ENERGY, MINES & RESOURCES

- Continuation of the Mineral Exploration Tax Credit.
- $708 K to establish Secretariat to manage new placer regulatory regime.
- $1.2 M to establish the Energy Solutions Centre as unit of EMR.
- Facilitating major mine permitting processes.
- Strategic action planning for Alaska Highway Pipeline.
- $100K to host the National Energy & Mines Ministers conference.

ENVIRONMENT

- $180 K for the Biophysical Land Classification and Mapping Project.
- $20 K for campground well water monitoring and testing.
- Species at Risk management plans.
- Chisana Caribou Recovery Project.
- Special Management Areas, parks and Habitat Protection Area planning.

EXECUTIVE COUNCIL OFFICE

- $100 K for the Yukon Forum.
- $910 K for community-based language initiatives.
- $50 K for VGFN for protection of the habitat of Porcupine Caribou Herd.
- $7.311M for land claims funding.
- $2 M for Substance Abuse Action Plan initiatives.

FINANCE

- Submissions to the Federal Expert Panel on Equalization and Territorial Funding Formula and Provincial panels on Fiscal Imbalance.
- Auditor General's compliments on Government of Yukon accounting practices.
- Four year financial projection for balanced budgets.
- Administration of $1 M Energy Rebate Program.

HEALTH AND SOCIAL SERVICES

- $29 M for Health Care Agreement: Territorial Health Access Fund and Territorial Medical Travel Fund.
- $750 K for community nursing station upgrades.
- $345 K for purchase of three ambulances.
- $100 K for Continuing Care Needs Assessment.
- Agreement with Canada Health Infoway.
- Additional physicians: 1 surgeon and 2 general practitioners.
- Increase to Pioneer Utility Grant.

HIGHWAYS AND PUBLIC WORKS

- $34.75 M for Shakwak - Alaska Highway & Haines Road reconstruction projects.
- $5.3 M primarily for Alaska Highway Bridge rehabilitation projects.
- $2.1 M for Dempster Highway improvements.
- $1.65 M for South Campbell Highway improvements.
- $2.3 M for Atlin Road improvements.
- $5.28 M for Mobile Communications Solution (MOCs) including cell phone service
- $290 K for implementation of Road/Weather Information System projects.
- $2.05 M for Whitehorse area Alaska Highway pavement rehabilitation.
- $1.6 M for renovations and expansion to Whitehorse Airport.
- $1.2 M for Whitehorse Airport parking lot improvements.

JUSTICE

- $1 M for development of new correctional infrastructure as per Consultation on Corrections Final Report.
- $130 K for Northern Institute of Justice feasibility study.
- Implementation of Safer Communities and Neighbourhoods legislation.
- Crystal Meth education series.

PUBLIC SERVICE COMMISSION

- $1.382 M for Investing in Public Service initiative.
- Grad Corps to facilitate the hiring of Yukon post-secondary students.
- Recognizing Public Service excellence.
- Healthy Employees and Workplaces Unit.
- Support for Professional Development and Technical Training for employees.
- Workplace Diversity Employment Office.

TOURISM AND CULTURE

- $1 M for Canada Winter Games national marketing campaign.
- $500 K for Tourism Co-operative Marketing Fund.
- $260 K for joint Yukon / Alaska marketing program with ATIA.
- $264 K for adventure marketing program with WTAY.
- $200 K for Yukon Convention Bureau tourism marketing program.
- $118 K for Tourism North Marketing Consortium program.
- $150 K for Yukon Quest media coverage and winter tourism marketing.
- $200 K for implementing the Yukon Brand Strategy.
- $250 K for website development and E-marketing.
- $50 K for Yukon Sourdough Rendezvous.
- $400 K for MacBride Museum expansion.
- $71 K for Rampart House Historic Site development.
- $70 K for Forty Mile Historic Site development.
- $200 K to assist Yukon museums to meet special project needs.
- $200 K to enhance cultural opportunities for CWG and Sport Fund.

WOMEN'S DIRECTORATE

- $100 K for Aboriginal women's groups to support Aboriginal Women and Violence Initiative.
- $140 K for increased commitment to seven grassroots women's organizations.
- $25 K for Women's Health Forum.
- $19 K for public education about violence prevention and women's equality issues.
- Establish First Nations Liaison Coordinator position.
- Leadership training and skills development for women.
- Public education campaign on violence against women and children.

YOUTH DIRECTORATE

- $200 K for youth programs in communities funded through a contribution to Crime Prevention Yukon.
- $355 K to fund 4 Whitehorse youth groups, including the Francophone youth group "Comité Espoir Jeunesse".

YUKON HOUSING CORPORATION

- $7.35 M for Home Ownership Program.
- $2 M for Canada-Yukon Affordable Housing Agreement.
- $1.7 M to stimulate private sector housing development.
- $2.5 M for energy efficiency through the Home Repair Program.
- $100 K for Seniors Housing Management Fund.

GOVERNMENT OF YUKON
PROJECTIONS ($000s)

	2005-06 Supplementary Forecast	2006-07 Main Estimate	2007-08 Projected Estimate	2008-09 Projected Estimate	2009-10 Projected Estimate
REVENUE:					
Territorial Revenue	$ 84,355	$ 86,427	$ 88,782	$ 93,563	$ 94,011
Transfers from Canada	552,876	558,558	575,981	582,357	602,202
Net Loan Interest	193	136	136	136	136
TOTAL REVENUE	$ 637,424	$ 645,121	$ 664,899	$ 676,056	$ 696,349
LESS NET EXPENDITURES:					
Net Operation and Maintenance Expenditures	$ 534,505	$ 541,489	$ 556,380	$ 571,680	$ 587,402
Net Capital Expenditures	143,803	110,438	95,000	95,000	95,000
TOTAL NET EXPENDITURES	$ 678,308	$ 651,927	$ 651,380	$ 666,680	$ 682,402
Plus: Effect of change in tangible capital assets	$ 51,967	$ 28,456	$ 14,358	$ 13,783	$ 13,230
Less: Estimated supplementary requirements	0	$ (14,462)	$ (22,007)	$ (23,090)	$ (12,106)
Plus: Adjustments (lapses and revotes)	26,916	1,794	3,328	5,106	5,149
SURPLUS (DEFICIT) FOR THE YEAR	$ 37,999	$ 8,982	$ 9,198	$ 5,175	$ 20,220
NET FINANCIAL RESOURCES					
Net Financial Resources, Beginning of the Year	$ 48,239	$ 34,271	$ 14,797	$ 9,637	$ 1,029
Plus: Surplus (Deficit) for the Year	37,999	8,982	9,198	5,175	20,220
Less: Effect of change in tangible capital assets	(51,967)	(28,456)	(14,358)	(13,783)	(13,230)
Net Financial Resources, End of the Year (A)	$ 34,271	$ 14,797	$ 9,637	$ 1,029	$ 8,019
NON-FINANCIAL ASSETS					
Net Opening Balance, Beginning of the Year	$ 365,192	$ 417,159	$ 445,615	$ 459,973	$ 473,756
Plus: Effect of change in tangible capital assets	51,967	28,456	14,358	13,783	13,230
Non-Financial Assets, End of the Year (B)	$ 417,159	$ 445,615	$ 459,973	$ 473,756	$ 486,986
ACCUMULATED SURPLUS (A + B)	$ 451,430	$ 460,412	$ 469,610	$ 474,785	$ 495,005

FINANCIAL INFORMATION

2006-07

This page left blank intentionally.

TABLE OF CONTENTS
FINANCIAL INFORMATION 2006-07

	PAGE
Financial Summary	iv
Budgetary Income Summary by Source	vi
Territorial Revenue by Source, 2006-07 (Chart)	viii
Operation and Maintenance and Capital Recoveries Summary by Department/Corporation	ix
Major Territorial and Provincial Tax Rates	x
Total Expenditures by Department/Corporation	xii
Government of Yukon O&M and Capital Expenditures, 2006-07 Budget (Chart)	xiii
Operation and Maintenance Expenditure Summary by Department/Corporation	xiv
Capital Expenditure Summary by Department/Corporation	xv
Tangible Capital Assets and Work-in-Progress Expenditures	xvi
Changes in Tangible Capital Assets and Amortization	xvii
Main Estimates Historical Comparison	xviii
Government of Yukon O&M and Capital Expenditures, 2001-02 to 2006-07 (Chart)	xix

FINANCIAL SUMMARY [1]
($000s)

	2006-07 ESTIMATE	2005-06 FORECAST	% CHANGE	2004-05 ACTUAL
Surplus (Deficit) for the Year				
Revenue:				
Territorial Revenue	**86,427**	84,355	2%	81,082
Recoveries	**141,569**	140,609	1%	108,353
Transfers from Canada	**558,558**	552,876	1%	505,786
Total Revenue	**786,554**	777,840	1%	695,221
Less Expenses:				
Operation and Maintenance Expenditures	**601,301**	595,302	1%	569,266
Capital Expenditures	**191,702**	223,062	-14%	128,448
Loan Interest	**357**	360	-1%	360
Total Expenses	**793,360**	818,724	-3%	698,074
Adjustments:				
Plus: Effect of change in tangible capital assets	**28,456**	51,967		5,774
Plus: Lapses net of revotes	**1,794**	26,916		0
Less: Estimated supplementary requirements	**(14,462)**	0		0
Plus: Items transferred to Balance Sheet	**0**	0		887
Plus: Net profit restricted funds	**0**	0		831
Plus: Recoveries of prior years' expenditures	**0**	0		587
Surplus (Deficit) for the Year	**8,982**	37,999		5,226
Net Financial Resources				
Net financial resources, beginning of the year	**34,271**	48,239		48,309
Surplus (Deficit) for the year	**8,982**	37,999		5,226
Effect of change in tangible capital assets [2]	**(28,456)**	(51,967)		(3,994)
Effect of change in other non-financial assets	**0**	0		(1,302)
Net financial resources, end of the year (A)	**14,797**	34,271		48,239
Non-financial assets				
Net opening balance, beginning of the year	**417,159**	365,192		359,896
Effect of change in tangible capital assets	**28,456**	51,967		3,994
Effect of change in other non-financial assets	**0**	0		1,302
Net non-financial resources, end of the year (B)	**445,615**	417,159		365,192
ACCUMULATED SURPLUS (A + B)	**460,412**	451,430		413,431

(1) Restated 2005-06 Forecast and 2004-05 Actual to be consistent with the 2006-07 Estimate presentation.

(2) Includes changes in tangible capital assets of Fleet Vehicle Agency, Queen's Printer Agency, Property Management Agency, and Road and Airport Equipment Reserve Fund.

FINANCIAL SUMMARY (Cont'd)
($000s)

	2006-07 ESTIMATE	2005-06 FORECAST	% CHANGE	2004-05 ACTUAL
NET EXPENDITURES:				
OPERATION AND MAINTENANCE:				
Gross Expenditures	**601,301**	595,302	1%	569,266
Less: Third-Party Recoveries	**17,693**	17,675	0%	17,123
Less: Recoveries from Canada	**42,119**	43,222	-3%	48,672
NET O & M EXPENDITURES	**541,489**	534,405	1%	503,471
CAPITAL:				
Gross Expenditures	**191,702**	223,062	-14%	128,448
Less: Third-Party Recoveries	**66,228**	54,103	22%	31,731
Less: Recoveries from Canada	**15,036**	25,056	-40%	10,209
NET CAPITAL EXPENDITURES	**110,438**	143,903	-23%	86,508
LOAN INTEREST:				
Gross Expenditures	**357**	360	-1%	360
Less: Third-Party Recoveries	**493**	553	-11%	618
NET LOAN INTEREST	**(136)**	(193)	-30%	(258)
LOAN PRINCIPAL:				
Gross Expenditures	**572**	0	100%	0
Less: Third-Party Recoveries	**744**	795	-6%	845
NET LOAN PRINCIPAL	**(172)**	(795)	-78%	(845)
LOAN CAPITAL:				
Gross Expenditures	**5,000**	5,000	0%	730
Less: Third-Party Recoveries	**5,000**	5,000	0%	730
NET LOAN CAPITAL	**0**	0	0%	0

BUDGETARY INCOME SUMMARY BY SOURCE

SOURCE	2006-07 ESTIMATE		2005-06 FORECAST		2004-05 ACTUAL	
	$000s	%	$000s	%	$000s	%
TERRITORIAL REVENUE						
TAX REVENUE						
Personal Income Tax	41,000	5.2	38,909	5.0	35,074	5.0
Corporate Income Tax	3,080	0.4	2,177	0.3	7,957	1.1
Property Tax	2,190	0.3	2,411	0.3	2,188	0.3
Grant-in-Lieu of Property Tax	200	0.0	174	0.0	171	0.0
Fuel Oil Tax - Diesel	2,660	0.3	2,624	0.3	2,789	0.4
Fuel Oil Tax - Other	3,752	0.5	3,870	0.5	3,657	0.5
Insurance Premium Tax	1,442	0.2	1,400	0.2	1,378	0.2
Tobacco Tax	6,299	0.8	6,100	0.8	6,147	0.9
Liquor Tax	2,883	0.4	2,621	0.3	2,666	0.4
	63,506	8.1	60,286	7.8	62,027	8.9
OTHER REVENUE						
Liquor Profit	5,886	0.7	4,709	0.6	5,595	0.8
Investment Income and Other Interest	2,191	0.3	3,628	0.5	1,055	0.2
Licences, Fees, Registrations and Permits:						
Motor Vehicle	3,037	0.4	3,009	0.4	3,240	0.5
Game and Campground	892	0.1	892	0.1	872	0.1
Business and Professional	1,778	0.2	1,976	0.3	2,044	0.3
Lands, Mines and Forestry	855	0.1	904	0.1	1,155	0.2
Other	800	0.1	795	0.1	815	0.1
Oil and Gas Resource Revenue	6,016	0.8	6,516	0.8	2,184	0.3
Land and Mineral Leases and Royalties	198	0.0	263	0.0	249	0.0
Fines	408	0.1	408	0.1	436	0.1
Gain on Sale of Lots	126	0.0	141	0.0	633	0.1
Aviation Operations	661	0.1	729	0.1	646	0.1
Miscellaneous	73	0.0	99	0.0	131	0.0
	22,921	2.9	24,069	3.1	19,055	2.7
Subtotal Territorial Revenue	86,427	11.0	84,355	10.8	81,082	11.7
TRANSFERS FROM CANADA						
Canada Health Transfer	22,172	2.8	21,287	2.7	16,506	2.4
Canada Social Transfer	9,464	1.2	9,144	1.2	9,050	1.3
Other Health and Social Transfers	7,671	1.0	14,972	1.9	9,234	1.3
Northern Stategy Trust	13,333	1.7	13,333	1.7	0	0.0
Grant from Canada	505,918	64.3	494,140	63.5	470,996	67.7
Subtotal Transfers from Canada	558,558	71.0	552,876	71.1	505,786	72.8

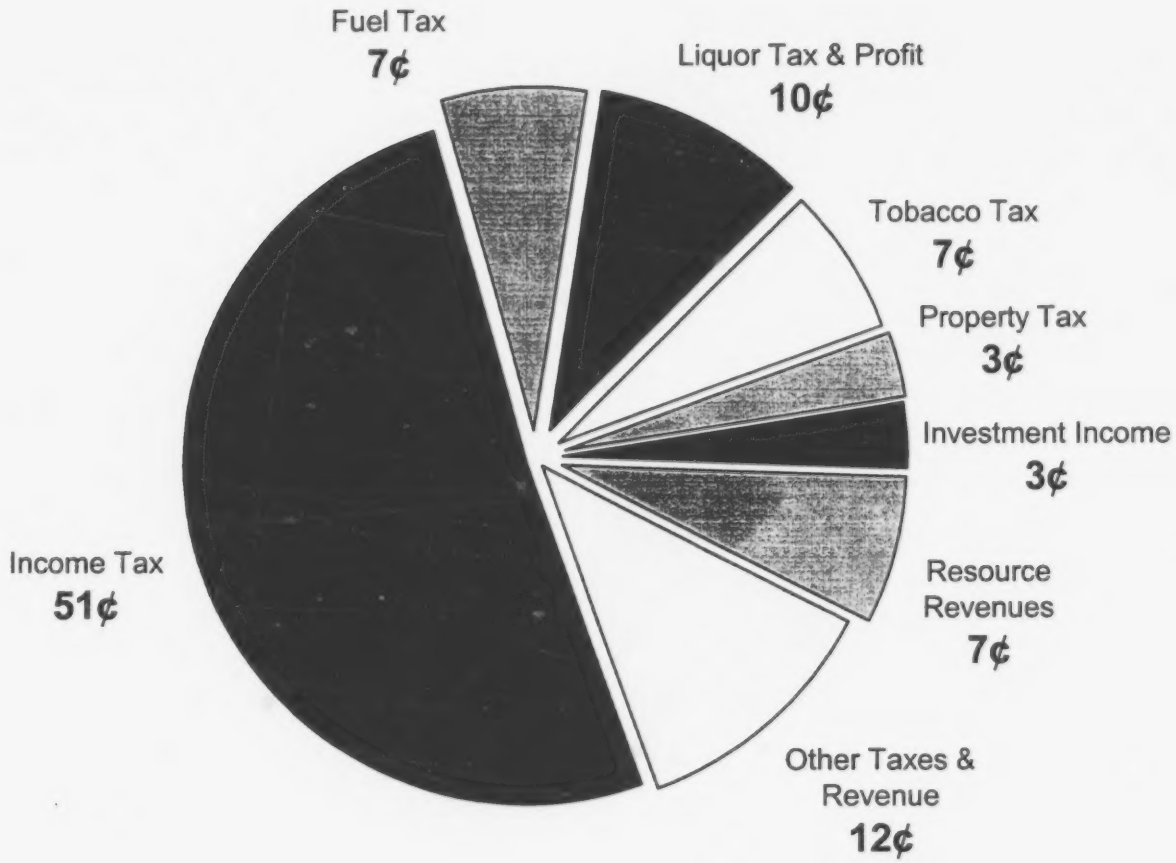
BUDGETARY INCOME SUMMARY BY SOURCE (Cont'd)

SOURCE	2006-07 ESTIMATE		2005-06 FORECAST		2004-05 ACTUAL	
RECOVERIES	**$000s**	**%**	**$000s**	**%**	**$000s**	**%**
Government of Canada						
Canadian Strategic Infrastructure Fund	**7,999**	**1.0**	6,178	0.8	4,930	0.7
Municipal Rural Infrastructure Fund	**3,055**	**0.4**	2,750	0.4	0	0.0
Yukon Housing Corporation	**6,537**	**0.8**	8,601	1.1	4,462	0.6
Child Welfare	**7,557**	**1.0**	7,596	1.0	7,608	1.1
Aboriginal Language Services	**1,100**	**0.1**	1,100	0.1	1,064	0.2
French Language Services	**1,350**	**0.2**	1,350	0.2	1,540	0.2
French Language Programs	**2,053**	**0.3**	2,053	0.3	1,452	0.2
Land Claims Implementation	**3,921**	**0.5**	3,707	0.5	2,562	0.4
Type II Mine Sites	**10,411**	**1.3**	11,147	1.4	6,674	1.0
Forestry	**250**	**0.0**	315	0.0	1,188	0.2
Young Offenders	**1,327**	**0.2**	1,358	0.2	1,367	0.2
Airports	**4**	**0.0**	4,478	0.6	742	0.1
Inuvialuit Final Agreement	**964**	**0.1**	920	0.1	901	0.1
Legal Aid	**934**	**0.1**	934	0.1	1,017	0.1
Other	**9,693**	**1.2**	15,791	2.0	23,374	3.4
	57,155	**7.3**	68,278	8.8	58,881	8.5
Third-Party Recoveries						
Alaska Highway (Shakwak)	**34,750**	**4.4**	29,450	3.8	17,306	2.5
Airports	**1,422**	**0.2**	1,480	0.2	1,408	0.2
Yukon Housing Corporation	**17,112**	**2.2**	13,812	1.8	12,772	1.8
Land Development	**12,773**	**1.6**	9,626	1.2	6,707	1.0
Reciprocal Billing	**1,715**	**0.2**	1,720	0.2	1,683	0.2
Loan Interest Recovery	**493**	**0.1**	553	0.1	618	0.1
Other	**16,149**	**2.1**	15,690	2.0	8,978	1.3
	84,414	**10.7**	72,331	9.3	49,472	7.1
Subtotal Recoveries	**141,569**	**18.0**	140,609	18.1	108,353	15.6
TOTAL BUDGETARY INCOME (Total Territorial Revenue, Transfers from Canada and Recoveries)	**786,554**	**100.0**	777,840	100.0	695,221	100.0

GOVERNMENT OF YUKON

TERRITORIAL REVENUE BY SOURCE

2006-07



NOTE: Represents the portion by source of each dollar of locally raised revenue.

OPERATION AND MAINTENANCE AND CAPITAL RECOVERIES
SUMMARY BY DEPARTMENT / CORPORATION
($000s)

DEPARTMENT / CORPORATION	O & M RECOVERIES 2006-07 ESTIMATE	O & M RECOVERIES 2005-06 FORECAST	CAPITAL RECOVERIES 2006-07 ESTIMATE	CAPITAL RECOVERIES 2005-06 FORECAST
Yukon Legislative Assembly	**10**	0	**0**	0
Elections Office	**0**	6	**0**	0
Office of the Ombudsman	**0**	0	**0**	0
Executive Council Office	**5,021**	4,807	**0**	0
Community Services	**3,871**	3,741	**26,388**	19,053
Economic Development	**0**	10	**1,150**	100
Education	**3,721**	3,704	**105**	217
Energy, Mines and Resources	**11,960**	12,143	**660**	1,452
Environment	**1,303**	1,271	**0**	22
Finance	**16**	16	**250**	0
Health and Social Services	**17,827**	18,722	**0**	2,957
Highways and Public Works	**3,660**	3,723	**38,569**	42,335
Justice	**2,035**	2,333	**0**	138
Public Service Commission	**45**	45	**0**	0
Tourism and Culture	**398**	437	**418**	391
Women's Directorate	**0**	0	**0**	0
Yukon Housing Corporation	**9,945**	9,939	**13,724**	12,494
Total Recoveries	**59,812**	60,897	**81,264**	79,159

Note:
Restated 2005-06 Forecast to be consistent with the 2006-07 Estimate presentation.

MAJOR TERRITORIAL AND PROVINCIAL TAX RATES
March 2006 [A]

	PERSONAL INCOME TAX			CORPORATE INCOME TAX			COMMODITY TAXES			
	BASIC RATE %	TAX BRACKETS (TAX ON INCOME)	HIGH INCOME SURCHARGE % [B]	GENERAL RATE %	SMALL BUSINESS %	MANUFACTURING & PROCESSING %	RETAIL SALES %	TOBACCO ¢/25 cigs	UNLEADED GAS ¢/litre	DIESEL FUEL ¢/litre
Newfoundland	10.57	≤ $29,590	9.0	14.00	5.00	5.00	8.0 [C]	400.00	16.5	16.5
	16.16	$29,591 - 59,180								
	18.02	> $59,180								
Prince Edward Island	9.80	≤ $30,754	10.0	16.00	6.50	16.00	10.0	436.25	19.7 [D]	19.8
	13.80	$30,755 - 61,509								
	16.70	> $61,509								
New Brunswick	9.68	≤ $33,450 [E]	–	13.00	2.00 [F]	13.00	8.0 [C]	293.75	14.5	16.9
	14.82	$33,451 - 66,902								
	16.52	$66,903 - 108,768								
	17.84	>$108,768								
Nova Scotia	8.79	≤ $29,590	10.0	16.00	5.00	16.00	8.0 [C]	388.00	15.5	15.4
	14.95	$29,591 - 59,180								
	16.67	$59,181 - 93,000								
	17.50	>$93,000								
Quebec	16.00	≤ $28,030 [G]	–	8.50 [H]	8.50	8.50	7.5	257.50	15.2	16.2
	20.00	$28,031 - 56,070								
	24.00	> $56,070								
Ontario	6.05	≤ $34,758 [G]	20.0/36.0	14.00	5.50	12.00	8.0	308.75	14.7	14.3
	9.15	$34,759 - 69,517								
	11.16	> $69,517								
Manitoba	10.90	≤ $30,544	–	14.50	4.50	14.50	7.0	437.50	11.5	11.5
	13.50	$30,545 - 65,000								
	17.40	> $65,000								
Saskatchewan	11.00	≤ $37,579 [E]	–	17.00	5.00	10.00	7.0	437.50	15.0	15.0
	13.00	$37,580 - 107,367								
	15.00	> $107,367								
Alberta	10.00	all income	–	11.50	3.00	11.50	–	400.00	9.0	9.0
British Columbia	6.05	≤ $33,755 [G]	–	12.00	4.50	12.00	7.0	447.50	14.5	15.0
	9.15	$33,756 - 67,511								
	11.70	$67,512 - 77,511								
	13.70	$77,512 - 94,121								
	14.70	> $94,121								
Northwest Territories	5.90	≤ $34,555 [E]	–	14.00 [I]	4.00	14.00 [I]	–	525.00	10.7/6.4 [J]	9.1
	8.60	$34,556 - 69,110								
	12.20	$69,111 - 112,358								
	14.05	>$112,358								
Nunavut	4.00	≤ $36,378 [E]	–	12.00	4.00	12.00	–	390.00	10.7/6.4 [J]	9.1
	7.00	$36,379 - 72,756								
	9.00	$72,757 - 118,285								
	11.50	>$118,285								
Yukon	7.04	≤ $36,378 [E]	5.0	15.00	4.00	2.50	–	330.00	6.2	7.2
	9.68	$36,379 - 72,756								
	11.44	$72,757 - 118,285								
	12.76	>$118,285								

Notes to Table:

A) Rate changes may have occurred since the time of the survey (March 14, 2006). To determine current rates or upcoming rate changes, reference should be made to each jurisdiction's Department of Finance.

B) The following jurisdictions levy a surcharge on personal income tax:
Newfoundland, 9% of provincial tax in excess of $7,032
Prince Edward Island, 10% of provincial tax in excess of $5,200
Nova Scotia, 10% of provincial tax in excess of $10,000
Ontario, 20% of provincial tax in excess of $4,106 and 36% of provincial tax in excess of $5,065
Yukon, 5% of territorial tax in excess of $6,000.

C) Provincial share of Harmonized Sales Tax.

D) PEI tax rate for both gas and diesel includes 10% tax on the estimated wholesale price. The flat rate component is 11.5 ¢/litre, plus 10% ad valorem component. The tax rate changes on the first day of each month.

E) Income tax brackets are indexed using the Consumer Price Index.

F) New Brunswick's small business rate will be reduced to 1.5% effective July 1, 2006.

G) Income tax brackets are indexed using the provincial rate of inflation.

H) The rate is 16.25% on non-active business income.

I) Northwest Territories general corporate income tax rate will be reduced to 11.5% effective July 1, 2006.

J) Northwest Territories and Nunavut have two tax rates for gasoline – for highway usage (10.7) and for off-highway usage (6.4). The 6.4 rate applies for communities not served by the highway system.

This page left blank intentionally.

TOTAL EXPENDITURES BY DEPARTMENT / CORPORATION [1]

DEPARTMENT / CORPORATION	2006-07 ESTIMATE		2005-06 FORECAST		2004-05 ACTUAL	
	$000s	%	$000s	%	$000s	%
Yukon Legislative Assembly	4,189	0.5	4,093	0.5	3,617	0.5
Elections Office	749	0.1	281	0.0	191	0.0
Office of the Ombudsman	459	0.1	440	0.1	403	0.1
Executive Council Office	21,037	2.7	21,535	2.6	16,606	2.4
Community Services	100,204	12.6	106,518	13.0	82,926	11.9
Economic Development	17,153	2.2	18,767	2.3	11,308	1.6
Education	125,788	15.9	124,689	15.2	110,150	15.8
Energy, Mines and Resources	43,660	5.5	44,374	5.4	36,337	5.2
Environment	23,008	2.9	22,725	2.8	22,302	3.2
Finance	5,592	0.7	6,602	0.8	4,812	0.7
Health and Social Services	183,601	23.2	189,859	23.2	169,626	24.3
Highways and Public Works	149,184	18.8	165,404	20.2	137,399	19.7
Justice	41,176	5.2	41,726	5.1	38,725	5.6
Public Service Commission	25,998	3.3	22,218	2.7	23,329	3.3
Tourism and Culture	21,235	2.7	21,039	2.6	18,921	2.7
Women's Directorate	1,004	0.1	892	0.1	792	0.1
Yukon Development Corporation	450	0.1	one dollar	0.0	0	0.0
Yukon Housing Corporation	28,516	3.6	27,202	3.3	20,270	2.9
Yukon Liquor Corporation	one dollar	0.0	one dollar	0.0	0	0.0
Total Expenditures	793,003	100.0	818,364	100.0	697,714	100.0

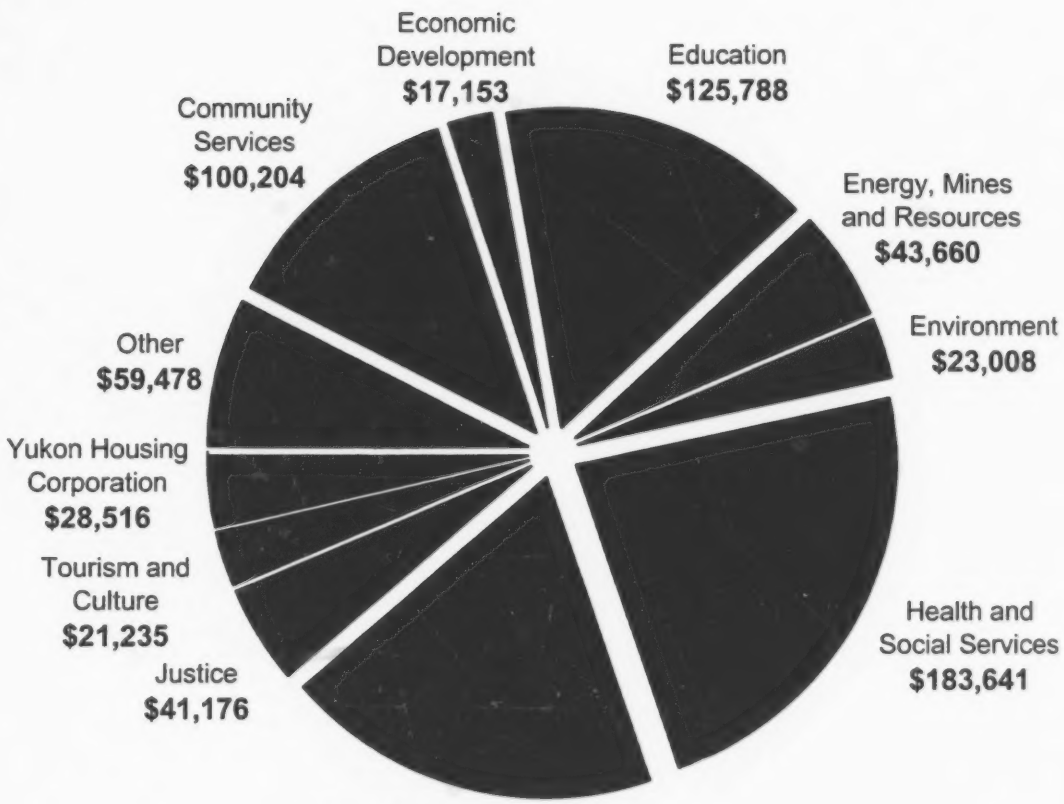
(1) Restated 2005-06 Forecast and 2004-05 Actual to be consistent with the 2006-07 Estimate presentation.

GOVERNMENT OF YUKON

O&M and CAPITAL EXPENDITURES BY DEPARTMENT

2006-07 BUDGET

$ THOUSANDS



"Other" includes Yukon Legislative Assembly, Elections Office, Office of the Ombudsman, Executive Council Office, Finance, Public Service Commission, Women's Directorate, Yukon Development Corporation and Yukon Liquor Corporation.

OPERATION AND MAINTENANCE [1]
EXPENDITURE SUMMARY BY DEPARTMENT / CORPORATION

DEPARTMENT / CORPORATION	2006-07 ESTIMATE		2005-06 FORECAST		2004-05 ACTUAL	
	$000s	**%**	**$000s**	**%**	**$000s**	**%**
Yukon Legislative Assembly	**4,149**	**0.7**	4,053	0.7	3,580	0.6
Elections Office	**744**	**0.1**	276	0.0	187	0.0
Office of the Ombudsman	**453**	**0.1**	426	0.1	398	0.1
Executive Council Office	**20,243**	**3.4**	17,569	3.0	15,672	2.8
Community Services	**50,557**	**8.4**	50,763	8.5	65,378	11.5
Economic Development	**6,748**	**1.1**	6,715	1.1	4,746	0.8
Education	**108,143**	**18.0**	106,339	17.9	100,372	17.6
Energy, Mines and Resources	**38,139**	**6.3**	37,492	6.3	31,348	5.5
Environment	**20,054**	**3.3**	20,199	3.4	18,630	3.3
Finance	**5,295**	**0.9**	6,299	1.1	4,722	0.8
Health and Social Services	**175,622**	**29.2**	178,448	30.0	165,202	29.0
Highways and Public Works	**76,738**	**12.8**	76,785	12.9	73,211	12.9
Justice	**39,629**	**6.6**	39,505	6.6	37,367	6.6
Public Service Commission	**25,929**	**4.3**	22,166	3.7	23,243	4.1
Tourism and Culture	**15,300**	**2.5**	15,217	2.6	13,561	2.4
Women's Directorate	**1,000**	**0.2**	882	0.1	784	0.1
Yukon Development Corporation	**one dollar**	**0.0**	one dollar	0.0	0	0.0
Yukon Housing Corporation	**12,558**	**2.1**	12,168	2.0	10,865	1.9
Yukon Liquor Corporation	**one dollar**	**0.0**	one dollar	0.0	0	0.0
Total Expenditures	**601,301**	**100.0**	595,302	100.0	569,266	100.0

(1) Restated 2005-06 Forecast and 2004-05 Actual to be consistent with the 2006-07 Estimate presentation.

CAPITAL [1]
EXPENDITURE SUMMARY BY DEPARTMENT / CORPORATION

DEPARTMENT / CORPORATION	2006-07 ESTIMATE		2005-06 FORECAST		2004-05 ACTUAL	
	$000s	**%**	**$000s**	**%**	**$000s**	**%**
Yukon Legislative Assembly	**40**	**0.0**	40	0.0	37	0.0
Elections Office	**5**	**0.0**	5	0.0	4	0.0
Office of the Ombudsman	**6**	**0.0**	14	0.0	5	0.0
Executive Council Office	**794**	**0.4**	3,966	1.8	934	0.7
Community Services	**49,647**	**25.9**	55,755	25.0	17,548	13.7
Economic Development	**10,405**	**5.4**	12,052	5.4	6,562	5.1
Education	**17,645**	**9.2**	18,350	8.2	9,778	7.6
Energy, Mines and Resources	**5,521**	**2.9**	6,882	3.1	4,989	3.9
Environment	**2,954**	**1.5**	2,526	1.1	3,672	2.9
Finance	**297**	**0.2**	303	0.1	90	0.1
Health and Social Services	**7,979**	**4.2**	11,411	5.1	4,424	3.4
Highways and Public Works	**72,446**	**37.8**	88,619	39.7	64,188	50.0
Justice	**1,547**	**0.8**	2,221	1.0	1,358	1.1
Public Service Commission	**69**	**0.0**	52	0.0	86	0.1
Tourism and Culture	**5,935**	**3.1**	5,822	2.6	5,360	4.2
Women's Directorate	**4**	**0.0**	10	0.0	8	0.0
Yukon Development Corporation	**450**	**0.2**	0	0.0	0	0.0
Yukon Housing Corporation	**15,958**	**8.3**	15,034	6.7	9,405	7.3
Total Expenditures	**191,702**	**100.0**	223,062	100.0	128,448	100.0

(1) Restated 2005-06 Forecast and 2004-05 Actual to be consistent with the 2006-07 Estimate presentation.

TANGIBLE CAPITAL ASSETS AND WORK-IN-PROGRESS EXPENDITURES [1]
SUMMARY BY DEPARTMENT / CORPORATION
($000s)

VOTE	DEPARTMENT / CORPORATION	2006-07 ESTIMATE	2005-06 FORECAST	% CHANGE	2004-05 ACTUAL
01	Yukon Legislative Assembly	**0**	0	0%	14
24	Elections Office	**0**	0	0%	0
23	Office of the Ombudsman	**0**	0	0%	0
02	Executive Council Office	**33**	17	94%	106
51	Community Services	**13,635**	28,153	-52%	2,664
07	Economic Development	**0**	0	0%	0
03	Education	**9,160**	7,558	21%	790
53	Energy, Mines and Resources	**355**	214	66%	167
52	Environment	**586**	410	43%	1,660
12	Finance	**0**	17	-100%	0
15	Health and Social Services	**4,263**	5,466	-22%	793
55	Highways and Public Works	**49,844**	68,192	-27%	38,040
08	Justice	**1,155**	589	96%	652
10	Public Service Commission	**14**	18	-22%	16
54	Tourism and Culture	**0**	0	0%	11
11	Women's Directorate	**0**	0	0%	0
18	Yukon Housing Corporation	**970**	750	29%	677
Total Expenditures [2]		**80,015**	111,384	-28%	45,590

(1) Restated 2005-06 Forecast and 2004-05 Actual to be consistent with the 2006-07 Estimate presentation.
(2) Excludes Yukon Liquor Corporation and Yukon Development Corporation.

CHANGES IN TANGIBLE CAPITAL ASSETS AND AMORTIZATION [1]
($000s)

	2006-07 ESTIMATE	2005-06 FORECAST	2004-05 ACTUAL
Beginning of the Year			
Cost of Tangible Capital Assets in service	**1,087,302**	1,038,386	995,223
Accumulated amortization	**(349,987)**	(319,763)	(292,556)
Work-in-progress	**108,785**	47,353	44,690
Total Net Book Value and Work-in-Progress	**846,100**	765,976	747,357
Changes during the Year			
Cost of Tangible Capital Assets			
Capital expenditures	**23,312**	22,791	17,561
Work-in-progress put in service during year	**33,706**	26,462	25,884
Disposals	**(2,691)**	(337)	(282)
Accumulated amortization			
Amortization Expense	**(31,952)**	(30,465)	(27,411)
Disposals	**1,615**	241	204
Work-in-progress			
Capital expenditures	**55,733**	88,088	28,547
Write downs	**0**	(194)	0
Work-in-progress put in service during year	**(33,706)**	(26,462)	(25,884)
End of the Year			
Cost of Tangible Capital Assets in service	**1,141,629**	1,087,302	1,038,386
Accumulated amortization	**(380,324)**	(349,987)	(319,763)
Net book value	**761,305**	737,315	718,623
Work-in-progress	**130,812**	108,785	47,353
Total Net Book Value and Work-in-Progress	**892,117**	846,100	765,976
Deferred Capital Contributions			
Balance, beginning of the year	**(456,220)**	(428,063)	(415,173)
Additions	**(32,262)**	(42,395)	(25,878)
Amortization of deferred capital contributions	**14,701**	14,238	12,988
Balance, end of the year	**(473,781)**	(456,220)	(428,063)

(1) Restated 2005-06 Forecast and 2004-05 Actual to be consistent with the 2006-07 Estimate presentation.
(2) Excludes Yukon Housing Corporation, Yukon Liquor Corporation and Yukon Development Corporation.

MAIN ESTIMATES

HISTORICAL COMPARISON

($000s)

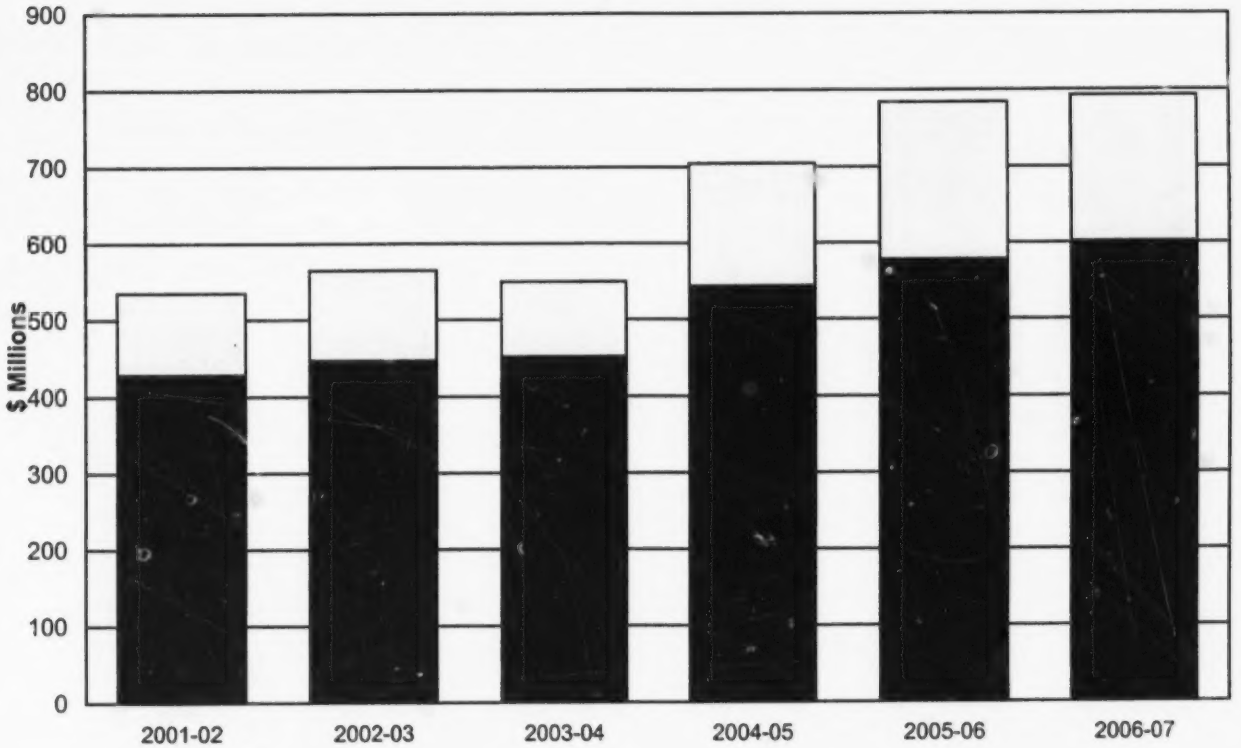
	O & M	CAPITAL	TOTAL
2006-07	**601,301**	**191,702**	**793,003**
2005-06	577,663	206,420	784,083
2004-05	543,104	162,654	705,758
2003-04	451,326	98,693	550,019
2002-03	446,635	118,177	564,812
2001-02	428,188	106,963	535,151
2000-01	392,801	109,580	502,381
1999-00	384,217	94,314	478,531
1998-99	370,360	70,598	440,958
1997-98	363,363	88,583	451,946
1996-97	346,821	124,925	471,746
1995-96	343,735	145,112	488,847
1994-95	346,210	121,724	467,934
1993-94	352,485	128,298	480,783

Note: These figures reflect the voted expenditures as per the estimates for the relevant year and have not been restated for purposes of comparison.

GOVERNMENT OF YUKON

O & M and CAPITAL EXPENDITURES

2000-01 TO 2006-07



NOTE: These figures reflect the voted expenditures as per the Main Estimates for the relevant year and have not been restated for purposes of comparison.

This page left blank intentionally.